# Daily Report

# Latin America

FBIS-LAT-91-138
Thursday
18 July 1991

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## Latin America

*FBIS-LAT-91-138* *18 July 1991*

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## Ibero-American Summit Opens in Guadalajara

### Perez, Menem, Spain's Gonzalez Arrive

*PA1707145291 Hamburg DPA in Spanish 1421 GMT 17 Jul 91*

[Text] Guadalajara, 17 Jul (DPA)—The presidents of Venezuela and Argentina, Carlos Andres Perez and Carlos Saul Menem, respectively, and Spanish Prime Minister Felipe Gonzalez arrived this morning at the Zapopan Military Base, located near Guadalajara, 580 km from Mexico City, the venue of the Ibero-American summit.

### Portuguese President Arrives

*PA1707142691 Paris AFP in Spanish 1049 GMT 17 Jul 91*

[Text] Mexico City, 16 Jul (AFP)—Portuguese President Mario Soares arrived in Mexico City on the evening of 16 July to attend the first Ibero-American summit with 23 heads of state and government in Guadalajara, 450 km west of Mexico, on 18 and 19 July.

The Portuguese president was welcomed at the Mexico City airport by Mexican Foreign Secretary Fernando Solana.

"Portugal will seek to increase its rapprochement with the Latin American countries and it will also seek increased economic cooperation, particularly with Brazil and Mexico," Soares said at a news conference.

Soares will later attend a private dinner with Mexican President Carlos Salinas at the Los Pinos official residence, and on 17 July he will receive the keys to Mexico City from Mayor Manuel Camacho; he will also meet with Mexican Nobel Literature Prize winner Octavio Paz.

"The Ibero-American summit represents a historic step that will preclude the region's isolation from the integration and development process. At the current international juncture it is important for us to have a doorway of communication between Portugal and the Ibero-American nations, and this is one of the reasons I am here," Soares added.

Soares arrived from New York with his wife Maria de Jesus Barroso, and will be in Mexico until 26 July for a private visit to the resort at Cancun on the Yucatan Peninsula, 1,225 km southeast of the capital.

Portugal will also be represented at the summit by Prime Minister Anibal Cavaco Silva, who is expected to arrive in Mexico on 17 July.

### Spain's King Arrives

*PA1707194691 Madrid EFE in Spanish 1757 GMT 17 Jul 91*

[Text] Cancun, Mexico, 17 July (EFE) - The king and queen of Spain, Juan Carlos and Sofia, arrived today at 1032 local time (1632 GMT) at the Mexican Caribbean tourist center of Cancun.

The Spanish king will participate in the first Ibero-American summit that is scheduled to take place on 18 and 19 July in Guadalajara.

Juan Carlos and Sofia were received at the Cancun airport without any protocol events by Governor Miguel Borge Martin and the wife of Alberto Aza Arias, the Spanish ambassador in Mexico, among other people.

The Spanish king and queen arrived aboard a Spanish Air Force aircraft, and after being greeted at the terminal by several people, including various Spanish nationals, they were taken to a hotel where they will stay overnight.

King Juan Carlos will travel to Guadalajara tomorrow to participate in the summit; 22 other heads of state from Latin America, Spain and Portugal are scheduled to attend.

### Castro Arrives for Summit

*PA1707194591 Madrid EFE in Spanish 1904 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (EFE)—Cuban President Fidel Castro arrived today in Guadalajara to attend the first Ibero-American summit.

Fidel Castro arrived at Zapopan Military Airport at 1230 (1630 GMT) aboard an Ilyushin 62MK that was preceded by a similar aircraft carrying a large official delegation.

Upon his arrival, the Cuban president, wearing his traditional olive drab uniform, was met by a very expectant media but he made no statement.

Fidel Castro was greeted by the general coordinator of the summit, Alfredo del Mazo, from Mexico. Today he will have several bilateral meetings, including a meeting with Spanish Prime Minister Felipe Gonzalez at 1900. There is no official confirmation that this meeting will take place.

### Havana Reports Castro Arrival

*FL1707204891 Havana Radio Reloj Network in Spanish 2032 GMT 17 Jul 91*

[Text] Today, Commander in Chief Fidel Castro Ruz arrived in the Mexican city of Guadalajara to attend the first Ibero-American summit which will begin tomorrow.

He arrived in the Guadajalara airport accompanied by Carlos Rafael Rodriguez and Carlos Lage, vice presidents of the Council of Ministers; and Carlos Aldana,

secretary of the Communist Party of Cuba and was welcomed by Alfredo del Mazo, general coordinator of the summit.

Enrique Romero Suarez, secretary general of the government of the State of Jalisco, and Cuban Foreign Minister Isidoro Malmierca were also waiting for Fidel.

The Ibero-American summit, scheduled for Thursday and Friday, will gather 23 chiefs of state and government from 21 countries who are already arriving in the capital of Jalisco.

### Castro's Importance at Summit Seen

*FL1807142191 Havana Tele Rebelde Network in Spanish 1100 GMT 18 Jul 91*

[Text] Today, the Mexican newspaper LA NATION reported that the presence of President Fidel Castro at the first Ibero-American summit is arousing great international interest. The summit will start this evening in Guadalajara.

Upon his arrival, our commander in chief held two work meetings with Mexican President Carlos Salinas de Gortari. According to Mexican presidential spokesman Otto Granado, both leaders first met alone for 45 minutes to discuss summit issues, were then joined by their delegations, and talked for another 20 minutes. Later on, Castro met with Spanish Prime Minister Felipe Gonzalez.

Fidel arrived yesterday in Mexico to participate in the first Ibero-American summit that has gathered government leaders from 23 countries. Our commander in chief is being accompanied by Carlos Rafael Rodriguez and Carlos Lage, vice ministers of the Councils of State and Ministers; and Carlos Aldana, member of the secretariat of the Communist Party of Cuba.

Fidel and the Cuban delegation were greeted at the airport by Alfredo del Mazo, Mexican summit coordinator; Enrique Romero, secretary general of the government of Jalisco State; and Isidoro Malmierca, Cuban foreign minister.

According to LA NATION, political analysts and many summit participants are expecting with great anticipation the impact of Castro's intervention at the summit. The newspaper points out that the Guadalajara meeting will focus on Castro's presence because of his personality, the historic dimension of his political leadership, and his steadfast dedication to maintain Cuba as a global beacon of socialism.

### Fujimori, Perez de Cuellar Arrive

*PA1707215191 Madrid EFE in Spanish 1958 GMT 17 Jul 91*

[Text] Guadalajara (Mexico), 17 Jul (EFE)—Peruvian President Alberto Fujimori and, also Peruvian, UN Secretary General Javier Perez de Cuellar arrived today in Guadalajara to participate in the first Ibero-American summit.

Fujimori and Perez de Cuellar arrived at the Zapopan Military Air Base in two small jets 10 minutes apart. The president arrived in a Peruvian Air Force jet and the secretary general in a Mexican jet.

They were greeted shortly after 1800 GMT by the secretary general of the Jalisco State Government. Guadalajara is the capital of Jalisco.

### Dominican Republic President Arrives

*PA1707230491 Madrid EFE in Spanish 2053 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (EFE)—Joaquin Balaguer, the president of the Dominican Republic, arrived here today to participate in the Ibero-American summit.

Balaguer, who is 84, arrived at 1410 (2010 GMT) under a heavy rainfall and had to wait inside his plane until it stopped raining. The Dominican president made no statements to the press and was greeted by Mexican officials.

The summit will be held in this, the capital of the western state of Jalisco, on 18 and 19 July. Present for the meetings will be 23 heads of state from Latin America, Spain, and Portugal.

### Colombia's Gaviria Arrives

*PA1707232091 Madrid EFE in Spanish 2127 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (EFE)—Colombian President Cesar Gaviria Trujillo arrived here today to participate in the first summit meeting of Ibero-American heads of state, along with his countryman Gabriel Garcia Marquez, winner of the Nobel Prize for literature.

Gaviria, who was accompanied by his wife and several government officials, arrived at 2145 GMT and made no statements. He is the fourth leader of an Andean state to arrive in the Jalisco State capital.

The Colombian chief of state was welcomed at Zapopan Military Airport by summit coordinator Alfredo del Mazo, from Mexico; Colombian Foreign Minister Luis Fernando Jaramillo; Colombian Ambassador to Mexico Julio Cesar Sanchez; and Mexican Ambassador to Bogota Edmundo Fonz.

### Guatemala's Serrano Arrives

*PA1707233791 Mexico City NOTIMEX in Spanish 1915 GMT 17 Jul 91*

[Text] Veracruz, Mexico, 17 Jul (NOTIMEX)—Guatemalan President Jorge Antonio Serrano Elias arrived today at 1020 at Heriberto Jara Corona International Airport for a courtesy visit.

The chief of state, who arrived with his wife, Magda Bianchi, and a small retinue, was received by Governor Dante Delgado Rannauro and by the mayors of Veracruz and Xalapa, Victor Gardoqui Zurita and Guillermo Zuniga Martinez, respectively.

Foreign Minister Alvaro Arzu Irigoyen and Luis Francisco Ortega Menaldo, the chief of the presidential General Staff, are part of the president's retinue.

After the welcoming ceremony, the group was taken to the city of Xalapa by motorcade. There, among other activities, the Guatemalan chief of state will meet with private businessmen and will attend several cultural events.

President Serrano Elias will be honored with the title of Distinguished Guest by the mayor of Xalapa, from whom he will receive the keys of the city.

### Chamorro Arrives, Seeks Castro

*PA1807030691 Mexico City NOTIMEX in Spanish 0205 GMT 18 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (NOTIMEX)—President Violeta Chamorro today reaffirmed her wish to meet with her Cuban colleague, Fidel Castro, during her visit in Guadalajara for the Ibero-American summit.

"If he is willing, it will be a pleasure; anything for peace and reconciliation among nations," she said upon her arrival at the Zapopan Military Air Base, in the eastern section of this city in Jalisco State in the western part of Mexico.

Chamorro, who at 1832 stepped out of the plane that was provided by the Mexican Government, said that she felt happy to be in this country, after her stay in El Salvador, where she participated in the Central American president's summit.

In a brief interview that broke with protocol, as was also the case with Carlos Saul Menem, her Argentine colleague, the president said that she had no special issue to discuss at the Ibero-American summit.

She stressed, however, that she is willing to speak with all 23 chiefs of state and leaders of the 21 Latin American countries, Spain, and Portugal.

The Nicaraguan president arrived with Presidency Minister Antonio Lacayo, and Cristiana Chamorro, director of LA PRENSA newspaper.

### Paraguay, Uruguay Presidents Arrive

*PA1807040191 Mexico City NOTIMEX in Spanish 0124 GMT 18 Jul 91*

[Text] Guadalajara, 17 Jul (NOTIMEX)—Andres Rodriguez and Luis Alberto Lacalle, presidents of Paraguay and Uruguay, respectively, arrived here today under a heavy rainfall to attend the Ibero-American summit.

The delegations of the two countries arrived at the "Emilio Carranza" Military Airbase No. Five at 1503 and walked rapidly to get out of the rain.

Lacalle waved a greeting from the official vehicle in which he left for the Camino Real Hotel, where the chiefs of state who have arrived in this city, located in western Mexico, are lodged.

The same occurred with Dominican President Joaquin Balaguer, 85, who with slow steps took five minutes to come down the ramp of the aircraft following his arrival at 1425 (2025 GMT).

### Coordinator on Cuba, U.S. Role

*PA1707151191 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 17 Jul 91*

[Report by Judith Alamo from Guadalajara]

[Text] The first Ibero-American summit will not be a forum for exerting pressure or for confrontations, but a historic meeting that has no precedent and whose purpose is to consolidate, with a constructive and respectful spirit, a new Ibero-American attitude that should strengthen our culture and make us stronger.

This was said by Mexican presidential adviser Alfredo del Mazo, general coordinator of the summit that will be attended by chiefs of state from 21 Latin American countries, Spain, and Portugal.

The summit coordinator denied that there is any intention to pressure Cuban President Fidel Castro into initiating reforms in his country. He said that Mexico deeply respects the self-determination rights of other people.

[Begin Del Mazo recording] I think, based on what the chiefs of state have told me, that they are coming with a very constructive attitude of respect for the points of view of others.

The purpose of this meeting is to unify and to find common denominators to resolve our problems and to find generally agreed-on solutions. [end recording]

At the news conference, which lasted approximately 1 hour, Del Mazo referred to the struggle against drug trafficking and increased trade among the Ibero-American countries as issues on which there will be consensus. In his opinion, the summit has already produced positive results because it has improved the possibility of peaceful agreements in regions where there are conflicts.

Del Mazo said that there is no reason for the United States to feel ignored just because it will not participate in this summit, not even as an observer. He said that the United States is interested in seeing a stronger Latin American economy. Del Mazo stated that the peace initiative for the Americas proposed by President George Bush will be discussed at the summit.

### Argentine 'Low Profile' on Cuba

*PA1707184191 Madrid EFE in Spanish 1517 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (EFE) - Argentina will maintain a low profile on possible talks related to Cuba which could take place during the first Ibero-American summit, scheduled to start tomorrow in Guadalajara.

Official Argentine sources told EFE today that the Buenos Aires government has decided not to issue any more statements with respect to the situation in Cuba and requirements for its readmission to the Organization of American States and other inter-American organizations.

Also, the sources disclosed that U.S. President George Bush had sent messages to the heads of state of some allied Ibero-American countries, among them Argentina, asking them to broach the subject of Cuba.

The same sources added that President Carlos Menem has decided to keep a low profile on this issue.

Relations between Argentina and Cuba have been cool since last March when the Buenos Aires government supported the motion presented by the United States for the Geneva based UN Human Rights Commission to appoint a special observer to investigate conditions in Cuba.

### Menem on Summit Integration Role

*PA1707174791 Madrid EFE in Spanish 1615 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (EFE)—Argentine President Carlos Menem said in Guadalajara today that his country wants the first Ibero-American summit to serve as a basis for "advancing rapidly in all areas of integration."

We have come to do a very important job in the political, economic, and cultural areas," Menem said on his arrival in Guadalajara.

Carlos Menem said it is "of vital importance" that regional integration programs be accelerated, "so as to arrive at a free trade zone ranging from Alaska to Tierra del Fuego." He was alluding to the "Americas Initiative" promoted by U.S. President George Bush.

In this regard, Menem highlighted the meeting that he will hold tomorrow with the presidents of Brazil, Paraguay, Uruguay, and Bolivia to discuss Bolivia's possible entry into the Common Market of the South.

### Spain's Gonzalez To Meet Castro

*PA1707195691 Madrid EFE in Spanish 1718 GMT 17 Jul 91*

[Text] Guadalajara, 17 Jul (EFE)— The interview that Spanish Prime Minister Felipe Gonzalez will hold with Cuban President Fidel Castro today will be held based on "respect for each country's internal affairs," it was explained today by assistant government spokesperson Miguel Gil.

Gonzalez, who arrived in Guadalajara early this morning to attend the first Ibero-American summit, will hold 11 bilateral meetings with Latin American presidents and UN Secretary General Javier Perez de Cuellar.

According to Miguel Gil, meetings with Gonzalez will be marked by a strict respect for the countries' internal affairs and the nations' sovereign right to choose their destinies.

Castro will also meet with King Juan Carlos—who has yet to make an official visit to Cuba—on 18 July, but no official details have been released yet.

Nevertheless, it has been learned that the Spanish prime minister will first meet with Bolivian President Jaime Paz Zamora and Mexican President Carlos Salinas, with whom he will have a private lunch, according to official Spanish sources.

Gonzalez will also meet today with Venezuelan President Carlos Andres Perez, Uruguayan President Luis Alberto Lacalle, Peruvian President Alberto Fujimori, and Paraguayan President Andres Rodriguez—and he will conclude his activities by meeting with Perez de Cuellar and Fidel Castro.

Shortly before the first summit session tomorrow, Felipe Gonzalez will meet with Chilean President Patricio Aylwin and Ecuadoran President Rodrigo Borja.

During his address at the summit's opening—in which he and King Juan Carlos will share the time assigned to Spain—Gonzalez will refer to the three elements, which, in his opinion, define the current Ibero-American situation.

The first one will be the democratic recovery registered in the zone since the 1980's; the second will be the existence of regional integration processes; and the third will be Ibero-American relations with the EEC, according to Miguel Gil.

### Gonzalez on Summit, Castro

*PA1707232691 Mexico City NOTIMEX in Spanish 2050 GMT 17 Jul 91*

[Text] Mexico City, 17 Jul (NOTIMEX)—Spanish Prime Minister Felipe Gonzalez ruled out today that the first Ibero-American summit of presidents is going to try Cuban leader Fidel Castro, and pronounced himself in favor of respect for the destiny of all the countries.

"Nobody must be or feel in a position to be the master of anyone," Gonzalez told the Mexican newspaper "EXCELSIOR," regarding the temptation to make Guadalajara a trial of Ibero-American voices against Cuba.

In an interview published by the newspaper today, the Spanish prime minister voiced his conviction that the Guadalajara summit will not fulfill Simon Bolivar's dream of integration and democratization.

He said, nonetheless, that there are hopes that the historic event will oblige the governments to join the great Latin American trend and will allow us to strengthen the incipient ties of cooperation in the area.

"The whole world may want and hope to have all the countries, including Cuba, inside that vast Latin American democratic current, but this must be Cuba's decision and we must respect that," Felipe Gonzalez stated.

The Spanish prime minister denied any innuendos from the U.S. Administration regarding Cuba. "In all truth, the U.S. Administration, with regard to our relations with Latin America in general and Cuba, in particular, is very respectful," he stated.

He voiced his satisfaction with Mexican President Carlos Salinas de Gortari's initiative to gather all the presidents of Ibero-America, including Spain and Portugal—peoples who share culture, language, aspirations, and development projects.

The presidents and chiefs of state of Latin America, Spain, and Portugal will meet for the first time in the Ibero-American summit in Guadalajara in the western Mexican state of Jalisco on 18 and 19 July.

"What we have to do is to take advantage of the factors that are numerous and are common to us all to benefit our peoples, as is our obligation," he said.

The leader of the Spanish Socialist Workers Party (PSOE) said that the vacuum in the relations between Spain and Latin America has been filled for many years by rhetoric and "we have been trying for a long time to produce a new form of relations."

### Serrano on Castro's Presence

*PA1707234491 Mexico City NOTIMEX in Spanish 1953 GMT 17 Jul 91*

[Text] Veracruz, 17 Jul (NOTIMEX)—Guatemalan President Jorge Antonio Serrano Elias said here today that the presence of Cuban President Fidel Castro at the Ibero-American Summit shows that Latin America will be able to establish the foundations that will guarantee peace in the region.

Upon arriving at the "Heriberto Jara Corona" International Airport, the Guatemalan president stated that for the presidents who will attend the summit, the participation of the Cuban president will be interesting, "because he is the president of a sister nation and I think that there is currently an absolute detente in the world."

Serrano said that, while the Latin American countries have gradually separated from one another and other countries have assumed the most prominent role, the meeting of all presidents will offer better living conditions for our continent.

The president claimed that, during the Ibero-American Summit, which will begin tomorrow in Guadalajara, Jalisco State, Guatemala will reaffirm its position of respect for the dignity, understanding, and solidarity that must exist among our peoples.

Serrano stated that the bonds of friendship will be reinforced during this summit, which was convened by the Mexican Government.

The Guatemalan president emphasized that "We must not suffer because of other people's problems, and it would be unfair for many countries to continue to suffer like Guatemala."

Serrano explained that during his visit to Veracruz, he will sign a cultural exchange agreement with the state government, inspired by the similarity that exists between his country and this region on the Gulf of Mexico.

The Guatemalan president will attend on 18 July the Ibero-American Summit, which will be attended by 23 heads of state and presidents from 21 countries.

### Perez Meets With Castro

*PA1807043291 Madrid EFE in Spanish 0320 GMT 18 Jul 91*

[Text] Guadalajara (Mexico), 17 Jul (EFE)—For Cuban President Fidel Castro, the meeting which begins tomorrow among the presidents of 19 Latin American countries, Spain, and Portugal in the Mexican city of Guadalajara is "the first Bolivarian Ibero-American summit."

This is what Castro told his Venezuelan counterpart, Carlos Andres Perez, according to what Jose Consuegra, press director of the Venezuelan Presidency, told EFE.

For Castro, "Bolivar is more present than ever before, to the point that I brought along his biography to read during these days."

Both presidents held a meeting this morning, after which President Carlos Andres Perez, when asked what Castro had said regarding the request for democratization made to him in Brasilia in March of 1989, told EFE: "We have continued to talk about all these things and I hope we will continue to progress in these commitments."

According to Consuegra, Perez told his Cuban counterpart that the United States has to do something on its own regarding the island's democratization.

"Castro has much to do, but the United States also has to ease up a little on its position toward Cuba. If the cold war has ended at the upper levels, why does it insist on maintaining this cold war at the lower level," Consuegra stated.

Perez, who described his meeting with Castro as "very cordial and open to all topics, said that one can disagree with the Cuban regime, but one cannot deny that it is there. He expressed his wish that Castro return to the bosom of the Latin American family.

Regarding the prospects that the Cuban president sees in the Guadalajara summit, the Venezuelan press director said that "for Castro, they are very good, very interesting. He told us not to forget that they are the oldest republic of America, because the Spaniards were in Cuba for almost one century more than in the rest of the Latin American countries.

### Castro 'Satisfied' With Perez Meeting

*PA1807045191 Mexico City NOTIMEX in Spanish 0303 GMT 18 Jul 91*

[Text] Guadalajara, 17 Jul (NOTIMEX)—Cuban President Fidel Castro said he felt "satisfied" with the private meeting he held this afternoon with Carlos Andres Perez, his Venezuelan counterpart, according to Venezuelan spokesperson Jose Consuegra.

President Fidel Castro said that the Ibero-American summit "is the realization of Simon Bolivar's dream," Consuegra said in an interview during a recess of the preliminary talks of the foreign ministers and officials.

Commander Fidel Castro and his country "must not be cornered, but integrated into Latin America, which is ready to accept it," Consuegra said. I believe that the necessary conditions are present in Latin America for Cuba to join "without abusing anyone."

The Venezuelan Government's official spokesperson said that during the "informal" talks between the two presidents "they did not discuss economic or political topics, but aspects of the meeting in general."

"In my opinion, the summit may well be the platform to discuss political topics subsequently," Consuegra added.

The talks were attended by Cuban and Venezuelan foreign ministers, Isidoro Malmierca and Armando Duran, respectively.

### Malmierca Stresses Progress, Peace

*FL1707183791 Havana Cuba Vision Network in Spanish 1700 GMT 17 Jul 91*

[Text] Yesterday, Cuban Foreign Minister Isidoro Malmierca arrived in Guadalajara to participate today in the Ibero-American foreign ministers meeting that is being held prior to the presidential summit. Malmierca answered reporter's questions at an improvised news conference at the airport terminal in Guadalajara.

[Begin recording] [Unidentified reporter] Mr. Minister, what is Cuba's message at the summit?

[Malmierca] Unity, integration, progress. We have always believed that progess is fundamentally linked to peace. It is impossible to pretend that our countries progress toward development without the stability of peace.

In Cuba's case, we have had to face immense and terrible military threats. This has forced us to invest a large amount of resources, not only financial but also human intelligence and dedication, to defend our people and revolution. Still, we believe that peace is necessary for progress and development. Also, we have to repeat, peace cannot be conceived without proper development of our countries. [end recording]

### Malmierca on Domestic 'Meddling'

*PA1707142991 Mexico City Red Nacional 13 Imevision Television in Spanish 1315 GMT 17 Jul 91*

[Text] Cuban Foreign Minister Isidoro Malmierca has said on arrival at Guadalajara that any meddling in the domestic affairs of Cuba will be viewed as an aggression. Responding to questions regarding the possibility that Fidel Castro be presented with a proposal calling for a bigger opening in the island, the foreign minister said that the Cubans will not accept any meddling.

The Cuban foreign minister said that the Ibero-American meeting should discuss ways to promote integration and closer relations among the Latin American countries.

### Cuba's Sanchez-Parodi Comments

*PA1807011991 Paris AFP in Spanish 2300 GMT 17 Jul 91*

[Text] Guadalajara, Mexico, 17 Jul (AFP)—Cuban Foreign Affairs Vice Minister Ramon Sanchez-Parodi declared here today that there will not be any political pressure on Cuba at the Ibero-American summit in Guadalajara, because the summit was called to make an overall analysis of Ibero-American problems.

Asked about alleged pressures that will be exerted on Cuba regarding its political system, the diplomat said that Cuban President Fidel Castro. [sentence as received]

Sanchez-Parodi, who will participate in "fine tuning" the "Guadalajara Declaration," the final text of the summit, insisted that the summit was not called to discuss any particular topic of any country, but to analyze problems of the "Ibero-American community up until the year 2000."

Asked if there will be a rapprochement by his country toward the community in Guadalajara, he said that "Cuba is Ibero-American and has always been so geographically, historically, culturalyl, economically, and politically."

On the possibility of progressing at the summit toward the resumption of relations between the Cuban Government and the Governments of Chile and Colombia, he said that that is a matter that it behooves those regimes to consider.

### Colombia, Cuba Discuss Ties

*PA1807025891 Hamburg DPA in Spanish 0223 GMT 18 Jul 91*

[Text] Guadalajara (Mexico), 17 Jul (DPA)—The presidents of Colombia, Cesar Gaviria, and of Cuba, Fidel Castro, are meeting here tonight to reestablish diplomatic relations, Colombian Foreign Minister Luis Fernando Jaramillo has announced.

Colombia, Chile, and Paraguay are the only countries participating in the first Ibero-American summit, which opens tomorrow in Guadalajara, that do not have diplomatic ties with the government of Castro.

Jaramillo said that in the first stage consular relations will be established in order to establish commercial exchanges and that embassies will be established later.

The presidential dialogue to reestablish relations is part of the new integration spirit born with the Ibero-American meeting, Jaramillo said on making the announcement.

The Colombian foreign minister said that possibly Chile will assume a similar attitude, but he said that he does not know if Paraguay will follow suit.

The member countries of the Organization of American States (OAS), except Mexico, broke relations with Cuba in 1961, after a meeting of presidents in Punta del Este, Uruguay.

### Havana Notes Relations With Colombia

*FL1807124291 Havana Tele Rebelde Network in Spanish 1115 GMT 18 Jul 91*

[Text] It has just been reported that diplomatic relations have been reestablished between Cuba and Colombia. The ECO Television Network, which broadcasts in Spanish to almost the entire continent, reported a few minutes ago that the announcement of the reestablishment of relations between Cuba and Colombia was given simultaneously by Presidents Fidel Castro and Cesar Gaviria. So now you know that relations have been reestablished between Cuba and Colombia.

### 'Group of Three' Sign Trade Document

*PA1807045291 Mexico City XHTV Television Network in Spanish 0210 GMT 18 Jul 91*

[Report by Rolando Medina from Guadalajara, Jalisco]

[Text] The presidents of Mexico, Venezuela, and Colombia Carlos Salinas de Gortari, Carlos Andres Perez, and Cesar Gaviria respectively, who comprise the Group of Three, have agreed to sign a free trade agreement.

The presidents have signed a trilateral cooperation agreement at a meeting held at the National Chamber of Commerce in Guadalajara, within the framework of the first Ibero-American summit.

Otto Granados Roldan, general director of media at the Mexican Presidency, announced that the three countries—Mexico, Colombia, and Venezuela—decided to sign a free trade agreement within the general framework of the Montevideo Treaty of 1980. He added that the agreement will become effective on 1 January 1992.

At the end of the meeting, Mexican President Salinas de Gortari said that he is very pleased with the developments prior to the formal inauguration of the first Ibero-American summit which is scheduled to begin on 18 July. Asked about his activities here and his bilateral meetings with heads of state and government, President Salinas briefly replied that everything is going well. He was calm, smiling, and satisfied.

Venezuelan President Carlos Andres Perez said that the 23 heads of state and government participating in this historical Guadalajara summit will achieve more unity and will strengthen their presence and position in the world.

### Gorbachev, Bush Greet Summit

*LD1807032391 Madrid RNE-1 Radio Network in Spanish 2200 GMT 17 Jul 91*

[Excerpts] [Announcer] The Ibero-American summit now takes over from the London [G-7] summit. Those are not the most powerful countries of the world that are in attendance in Mexico, but they are rather a community that desires to strengthen the hallmarks of its identity and also, above all, to bring its mechanisms of cooperation up to date. This, at least, is the manifest intention of the Spanish delegation, which will be represented at the highest level by the head of state and the head of government. RNE special correspondent Javier Arenas now reports on their first hours in Mexico:

[Arenas] The king and queen, Don Juan Carlos and Dona Sofia, and Prime Minister Felipe Gonzalez are in Mexico today at the head of a very large official Spanish delegation, which includes Foreign Minister Francisco Fernandez-Ordonez; the under secretary at the Ministry of the Government spokesperson, Miguel Gil; and several secretaries of state and senior officials.

This is a reflection of the importance Spain attaches to a summit from which the presidents of the United States and the Soviet Union did not want to be left out, either. Messages from Gorbachev and Bush have just arrived in Mexico. The U.S. President wished great success to the Ibero-American summit, and he asked the host, Salinas

de Gortari, to convey this desire to each of the participants. Bush personally telephoned the Mexican president, while Gorbachev sent a message with the following contents:

The agenda of this forum bears witness to the growing activity of the Ibero-American countries in regional and world affairs and in the resolution of outstanding contemporary problems. The summit, which is taking place in the period of preparations for celebrations marking the 500th anniversary of the discovery of America, and the participation of Spain and Portugal reflect the aspiration of your countries to strengthen the traditional ties that unite Europe with the Latin American Continent. We are strongly convinced, adds Gorbachev, that the Ibero-American summit in Mexico will contribute greatly to the global processes of integration, democratization, and equitable cooperation, always respecting identity and freedom of choice.

These are key questions that, as we shall see shortly, are going to be well reflected in the Guadalajara final declaration. Curiously, the message from Gorbachev, dated 17 July 1991, was sent from the Kremlin in Moscow when the Soviet leader, as we know, was in London. [passage omitted]

Prime Minister Felipe Gonzalez, who arrived here at 1520 this afternoon Spanish time, has already had his first meetings, on which the official delegation will shortly report. The meeting most awaited is without doubt that with Fidel Castro; and those held so far have been with Bolivian President Jaime Paz Zamora and right now with Venezuelan President Carlos Andres Perez. [passage omitted]

[Announcer] [Passage omitted] Jose Manuel Martin Meden now reports from the Mexican city of Guadalajara:

[Meden] Good evening from Guadalajara. RNE has learned that the fourth paragraph of the final declaration will resolve the controversial protagonism of Cuba at this first Ibero-American summit with a call for the establishment of democracy—without mentioning any names—as a universal aspiration, but then noting that each country has the right to define its own political model. [passage omitted] We have also been able to learn—from what are usually called well-informed sources when their identity cannot be revealed—that the cases of Chile, Colombia, and Paraguay—the only Latin American countries that do not have relations with Cuba—may change as follows: resetablishment of relations with Chile after this summit; good contacts with Colombia in anticipation of the legislative elections next October; and contacts with Paraguay frozen until the process of democratization is deepened there.

## Central American Presidents' Summit Concludes

### Chile's Aylwin Speaks on Arrival

*PA1707190191 San Salvador Radio Cadena YSKL in Spanish 1636 GMT 17 Jul 91*

[Speech by Chilean President Patricio Aylwin upon arrival at Ilopango Military Airport in San Salvador—live]

[Text] It has been an honor for me to be received in this city of San Salvador, host of the summit meeting of Central American presidents.

The invitation you were kind enough to send me makes evident your special respect and affection for the Chilean Government and people.

It has been many years since a Chilean president visited Central America. This absence has not prevented the Chileans from following with special attention the events taking place in this region, a region that is dear to us for many reasons.

Many Central Americans have gone to Chile to work and study. Many of my fellow countrymen have also found a home in this land. In recent years, a significant number of Chileans have found asylum here.

Like the Central American people, the people of Chile love peace and we, like you, have paid a price for it, and for this reason we fully appreciate it. We have painfully learned the cost of intolerance, injustice, and violence.

This is why we have favored finding peace through dialogue and negotiations. This is a peace based on true respect for human beings and their fundamental rights, on the search for development and social justice, and on democracy as the permanent form of government.

These objectives will not be possible as long as human beings do not have the means to lead a decent life. We are striving for a society without privileged or impoverished people, where reason and right are the main bases of social coexistence.

We know that these are also the objectives of the Central Americans. We have been following, with hope, the process that was initiated in 1986 when the presidents of this region assumed a leading role in the peace effort.

The meeting of Central American presidents has been important. Everybody knows this has been a decisive meeting in initiating a new phase in the history of the region.

We support the dialogue and pacification processes initiated five years ago because they have produced significant achievements. We hope that the negotiations going on right now to secure peace in El Salvador and Guatemala are successful.

Your Excellency: The important political and economic changes going on in the world now are creating huge opportunities. They also represent big challenges. It is necessary to modernize our economies and societies in order to fully incorporate ourselves into an increasingly competitive market.

This insertion will be more fruitful if the Latin American people face it together and make themselves known in the marketplace. This calls for integration and our region is beginning to tackle it realistically.

We have come to learn from your experiences. We have come to talk with you about political agreements and about economic cooperation among our countries. We have come to offer our limited resources and our own experience if it can serve your peace efforts.

I sincerely hope that these objectives will be reached. I wish you success in your summit meeting, lasting peace in the region, and a future of democracy and justice in Latin America.

Mr. President, I thank you, your government, and the Salvadoran people for the generous way in which you have welcomed me.

### Serrano Departs Summit

*PA1707162891 Panama City ACAN in Spanish 1216 GMT 17 Jul 91*

[Text] San Salvador, 17 Jul (ACAN - EFE)—Guatemalan President Jorge Serrano returned to his country Tuesday night because, he said, he has "other commitments." He will not participate today in the closing of the 11th Central American summit, which opened on 15 July.

Serrano told the media that "commitments that I have in my country compel me to return." He noted that he also has plans to travel "early" to the first Ibero-American summit to be held in Guadalajara, Mexico.

President Serrano said that the results of the Central American summit are "highly positive." The final Central American summit declaration is now in the hands of style editors.

Serrano bid farewell to his colleagues after the signing of several cooperation agreements between Venezuela and Central America and a multilateral free trade treaty between Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica.

The Guatemalan president did not participate in the banquet held in honor of Venezuelan President Carlos Andres Perez, who left for Mexico early this morning.

## Perez Gives News Conference

*PA1707184091 San Salvador Radio Cadena YSKL in Spanish 0300 GMT 17 Jul 91*

[News conference by Venezuelan President Carlos Andres Perez with local and international reporters and an unidentified moderator at the Presidente Hotel in San Salvador—live]

[Text] [Perez] President Alfredo Cristiani and other presidents of Central America and Panama; Messrs. Ambassadors; Messrs. Ministers, Mmes. First Ladies; fellow citizens of Central America. It was a privilege and honor, which I value highly, to be invited to attend the Central American countries' 10th summit because Venezuelans, as Simon Bolivar the liberator taught us, believe that the destiny of our homelands is one and the same. We will not achieve the goal sought by Latin American nations until integration becomes a reality.

Until recently, Central America was the center of the greatest anguish for the Latin American people because of the increasing levels of warmongering attitudes. Even though the last fratricidal fires have not yet been extinguished, Central America today offers the most serious and important proof of its willingness to unite and achieve integration. We first saw how the joint actions carried out by the government and the people resulted in a settlement, reconciliation, and peace in Nicaragua. We can now see how the presidents attending this summit, where the shots of a fratricidal conflict are still painfully heard, are reasserting not only their willingness to achieve peace, but also their decision to implement an effective democracy in the political, economic, and social sectors, as President Cristiani said.

The Central American presidents have met countless times and a clear determination to achieve unity and integration has been quite evident at every meeting. At this 10th summit we also have the pleasant and important news that the Republic of Panama has asked to join Central America and to participate in the community that will have a lot to say in our region and the world in the near future. I congratulate President Endara for his country's decision and, even though the procedures for Panama's admission will undoubtedly have to be carried out, I am sure that all the presidents of Central America have received the Republic of Panama's decision with the same joy. The region also includes a new nation, which emerged from colonialism, Belize, and we will surely see it become an overall part of the region pretty soon.

We received undeserved words of praise from President Cristiani, on behalf of the Central American presidents. I want to tell you that I accept the praise with pride, but not on a personal b sis because what the Venezuelans are doing represents and expresses our people's deep, authentic feelings. We fully believe in integration. We know that we are not making any sacrifices or granting any kind of privileges; instead, we are reasserting on Latin American soil our decision about integration, which will definitely give us the role that we want to fulfill in the next millenium, which is quite near.

Latin America is destined to play an important role in this new reality that the world offers. Latin America's voice must be heard in the new international order because our countries have always wanted peace, despite all the problems we have withstood and all the adverse circumstances in which our development has occurred, and we have always sought freedom and democracy. Latin America is not expendable in the world; Latin America will play an important role because war and hate have always been an expression of regional life, despite our fratricidal wars.

We represent the most homogeneous region in the world and we practically speak one language, because Portuguese and Spanish are mutually understood. Ours is a region devoid of ethnic problems because the crossbreeding of races in four continents resulted in a new race. Simon Bolivar said in his Angostura message: Latin Americans are a small human genus. These circumstances prepare us and project us toward the future.

We have seen the much-admired Europe afflicted by ethnic problems and other kinds of problems, despite its integration. We have seen how we cannot travel 200 km in civilized Europe without finding a different language. We should view these circumstances with optimism so that we can think about the great future and destiny in store for our Latin America.

We are witnessing changes, deep changes, and we view the events of today with surprise, because what is happening in the world could not have been foreseen even five years ago. What is happening in the world is, first of all, the tendency to continue the efforts to achieve peace and understanding, the disappearance of antagonistic blocs that kept the world under the threat and anguish of a nuclear holocaust for so many years. A multipolar world is being strengthened amid the problems which arose with the disappearance of a bipolar world; it is a new international order that will have its headquarters at the United Nations, an organization that will achieve in the final decade of the 20th century what it had not achieved in many years. We will begin, as was done during the absurd and terrible Middle East conflagration, to talk about other people's rights; and a new situation of international peace and justice will begin in the the world. Latin America will fulfill its great destiny within this situation. Messrs. Presidents of Central America and Panama, the efforts you are exerting in Central America will continue throughout the region. The South American Common Market has been created in the south; we have the Latin American Integration Association, comprising 13 countries in the region; the Andean Pact was created much closer. On 31 December 1991 it will create a free trade zone for more than 60 million people.

For geopolitical reasons and given the new world that is being created, Mexico is negotiating a free trade agreement with the United States, but it does not and will not deny its Latin American roots and essence. The admirable feelings and will of one of the nations which has had to face the worst problems in the history of Latin America is evident in the Group of Three—which was created by Mexico, Colombia, and Venezuela; and which intends to include Central America and the Caribbean in the Latin America integration process, among other goals.

The Caribbean region, which colonialism kept isolated from us for such a long time and which speaks different languages, is also part of Latin America. It is also one of us, with the same history; the same interracial relations which occurred in our countries; and the same anguish and hopes to achieve development which prevails in our homelands. We have chosen the right road, the one which all our liberators—Morazan in Central America, Morelos in Mexico, O'Higgins in Chile, San Martin in Argentina, and Bolivar in Venezuela—pointed out. They all were compelled by the desire to create a great homeland, the one that our great Andres Bello defined as a great nation of republics.

That is our destiny, and you, dear Central American friends, are playing a pioneering role. You are proving that we can settle our problems on our own; and I am sure that the Esquipulas Agreements will continue to play an important role in the region, and that the Salvadoran conflict will soon find the definite road toward peace. We are pledged to exert ourselves and we must be determined to achieve this goal. There are no Salvadoran, Colombian, Venezuelan, or Costa Rican problems. There is a single reality, a single duty, and a single will. We have a Latin America to build for democracy, freedom, and social justice.

These are the realities we see today with our souls' eyes and they will surpass mere rhetoric, because the Central American community is no longer about rhetoric; the Andean Pact is no longer about rhetoric; and the Group of Rio, which wants to be a political expression of Latin American thoughts, feelings, and goals and which now includes all the regions of our Latin America, is no longer about rhetoric. We must be assured that our destiny now depends on us; that we are becoming our own masters; that we are finding the road that was built with suffering and struggling throughout the 500 years that our homelands were being created, following the discovery of America.

There is not a single phase of our daily activities that is not marked by our nations' struggles to achieve freedom and democracy. It is not true that we were nations which did not deserve to be free nor is it true that the dictatorships and tyrants were a cross that the Latin American people had to carry forever. The truth is evident today. Militarism has definitely been vanquished from all the Latin American countries. We now have armies for freedom and democracy, and for the peace that we are building—and they will participate in its construction.

I come with optimism to thank the Central American presidents for the kindness with which they have honored me and to tell them that I am here, proud to present the authentic and clear image of cooperation and integration among our countries. The Central Americans and the Venezuelans can now say that we are effectively cooperating in the process that will make possible the creation of that great nation of republics which was mentioned by the great Andres Bello.

Messrs. Presidents, I am deeply grateful for the honor you have bestowed on me. I receive it on behalf of my people, but, more than our people, I receive it on behalf of all the Latin American people who see that their presidents are the men who will lead us toward the great destiny of this land of liberators, peace, and democracy. Thank you, very much. [applause]

[Unidentified reporter] Mr. Perez, there has been much speculation that one of the topics that may be discussed at the Guadalajara summit meeting is precisely the war in El Salvador. With the disappearance of East-West tensions between the Soviet Union and the United States, one would think that one of the chief elements of this conflict would also disappear. The war, however, continues in El Salvador. Here is my question: Regarding the conflict that is raging in this country, do you think that the chief problems are due to external or internal reasons?

[Perez] It does seem contradictory that now that the East-West tension has ended, the same conflicts that helped create the cold war are still raging in Latin America. That situation is precisely the result of the adjustments that had to take place in the world with the disappearance of the bipolar (?system) that manipulated this situation for so many years. I am certain that the sources of conflict will disappear in the long run, or in the short run for that matter.

To be sure, we must openly recognize our problems are caused by multiple internal causes. We are largely responsible for the problems affecting our country, but this is a collective responsibility we shoulder. I think that now the confrontation of the big powers, which no longer exists, does not have an influence on the problems of our countries. I do think, however, that this confrontation generated these conflicts, but since that source of unrest is now gone, it is easier for us to solve the problems we are experiencing. I am certain that the conflicts that still shake Central America and distress all Latin American will end in 1991.

[Moderator] Here is Raul Manta, of Dallas' Cadena Radio Centro.

[Manta] Nicaraguan President Violeta Chamorro told us that [words indistinct] for the area presidents to be able to talk to Fidel Castro during the Ibero-American

summit. Political analysts seem to concur that the presidents could inspire Fidel Castro to be democratic. Do you think this is possible? [word indistinct].

[Perez] I think that it is very important that Fidel Castro, president of Cuba, a Caribbean republic like ours, is attending the Guadalajara meeting. I was pleased that the Cuban president accepted this invitation. The meeting is not meant to discuss the specific problems of any country. The goal of the summit is to commemorate the 500th anniversary of the discovery or encounter of two worlds, however you may want to call it. The mere fact of the summit already endows it with an important significance in terms of the identification of the Ibero-American region to which we refer as Latin America. The world presence should unquestionably prompt us to wish that the Cuban Government and its leader undertake the path toward the final incorporation into their natural region, their geographic region, namely, Latin America, after postponing it for so long. We (?hope) so. We must also say that we should make the same plea to the United States. Until recently, Cuba represented a strategic presence of the East a few miles away from the United States. That is no longer the case. And so, I think the time has come to find voices of rapprochement on the part of Cuba as well as on the part of the United States. I think all Latin Americans have the right to ask both countries to contribute and cooperate to bring detente to our area, because the cold war that brought so much sorrow and anguish should not continue to coexist amid the new international order.

[Moderator] Here is Marvin Portillo of EL DIARIO DE HOY.

[Portillo] My question is related to the trade relations between Venezuela and El Salvador. For many years, the trade flow between these countries has been low. [Words indistinct] the lack of transportation for Salvadoran products to that zone, chiefly due to small number of vessels that leave for your country. Perhaps, this also happens to other area countries. How does Venezuela plan to overcome the obstacle of lack of transportation, which then makes the Mexican markets more attractive for Venezuela, and to increase the flow of commerce between Venezuela and Central America?

[Perez] The truth is that a series of historical circumstances encouraged or taught us to look north. We never [words indistinct] complement our countries, and the entire organization of our trade was done through the north. In the second place, our economies used to operate within a [words indistinct], based on the most absolute protectionism or in [words indistinct], and this turned the Latin American economies hostile toward each other. Even though we talked about integration, integration was impossible due to the large barriers we made out of our borders and customs.

This situation has changed. The thorough economic reform that is taking place throughout Latin America is making possible now the creation of complementary nations, or countries that can negotiate among themselves. The process of integration that is taking place has led us to look upon each other and see how in our region we even have a capacity for self-sufficiency through exchanges.

However, this agreement that Venezuela and Central America have signed today contributes even more to breaking down these barriers, because as the Central American products are liberated from tariffs and go to Venezuela, we are providing an incentive, not only for the official sector but essentially to the private sector of these countries for increasing their trade with Venezuela, and naturally, with the rest of Latin America.

This possibility of exporting to Venezuela will also entail the possibility of Venezuela and the Andean Pact exporting to Central America. Then there will be the [word indistinct] that did not exist yesterday, because the customs, the high tariffs, and the bans on certain products of our countries made these commercial relations impossible.

I believe that the courage of our actions, of Central America and of Venezuela, has opened this possibility. We have signed a similar agreement with CARICOM [Caribbean Common Market] nations, with the nations of the Caribbean. Therefore, all of this opens up the Caribbean as a center of attraction for the maritime market, for the presence of ships among our ports.

## Honduran Minister on Free Trade

*PA1707214291 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 17 Jul 91*

[Interview with Ramon Medina Luna, Honduran economy and trade minister by reporter Julio Armando Valdes in San Salvador on 17 July—recorded]

[Excerpts] [Valdes] Attention, attention, President Rafael Leonardo Callejas and the other Central American presidents have just signed a multilateral free trade agreement for the Central American area. President Callejas said that this represents a new Central American integration treaty. The president added that a single customs tariff will be implemented throughout Central America, and this will involve the creation of what is called a free trade zone. For the last 21-22 years, Honduras had been outside the treaty which was signed today by the Central American presidents. [passage omitted]

We have an exclusive interview with Economy and Trade Minister Ramon Medina Luna, who signed the multilateral integration treaty. What are your views about the multilateral treaty?

[Medina Luna] This mechanism abolishes the bilateral trade agreements that Honduras has had with other Central American countries for over a decade. Honduras has established a multilateral relationship that involves a significant increase in the Central American countries' trade with Honduras—both for imports and exports. We

think that the step is highly significant and important. We think that this is a preliminary step for full participation in the Central American integration process, which will occur as soon as we define the conditions that will serve as the framework for a new integration treaty. We intend to make an in-depth revision of the general treaty; we also need to implement a single customs tariff. We think that Honduras has thus proved its integrationist will, but it has also established a level of gradualness for its participation in the process, based on the historical reasons which have prevailed in Honduras' relations with Central America and based on the current world's needs.

[Valdes] How will the free trade agreement be handled at the customs houses? How will you change the current legal system?

[Medina Luna] Alongside this multilateral treaty, we have approved a program calling for the elimination of obstacles to Central American trade, which essentially deals with the operations at the customs houses and the elimination of several restrictions on regional trade.

[Valdes] When will the multilateral treaty be implemented? When will the borders be opened?

[Medina Luna] This agreement must be subject to the Honduran Congress' approval. We have discussed the issue...[changes thought] National Congress Vice President Joselo Martell has also attended the summit and we have talked at length on the issue. As soon as we return, we will formally submit it to the congress for the appropriate approval.

[Valdes] Will the other Central American countries do the same?

[Medina Luna] We must remember that all the Central American countries are already in a free trade zone. The general treaty which establishes a free trade zone has been implemented throughout these years. Honduras is actually the one which has not had a free trade zone. This is the mechanism through which Honduras begins its return to the integration process and we believe it is a positive step.

[Valdes] What about Panama? Did it also sign the treaty?

[Medina Luna] No, Panama cannot sign the treaty because it still has a special status within the integration process and we believe that Panama will eventually have to follow the process that Honduras has implemented.

[Valdes] Honduran businessmen said more time should have been allowed before signing the treaty because it affects the companies and approximately 15,000-20,000 will be left jobless in Honduras.

[Medina Luna] No, this cannot be. We definitely believe that Honduras has a production capability. It is true that there is a certain amount of fear in several countries throughout the region because Honduras admittedly has advantages in the production sector, comparatively speaking, and we could definitely have access to new markets through this mechanism. Likewise, I think it is important because the offer will increase in the measure that we allow the arrival of new products to Honduras. We think that this can have a positive impact on the level of prices in our market by increasing the competition among products that will come from the rest of the Central American countries to our market. We believe that this is a positive mechanism and it will bear fruit for Honduras, and we feel that—on the other hand—the provisional agreement is the first step toward full participation. This does not represent more than a phase of the whole process. It involves the increase of trade from approximately 1,500 products...[corrects himself] to 1,500 products.

[Valdes] But will the liberalization policy affect the prices? That is also being commented on in Honduras. It is said that a liberalization of prices would render the free trade agreement useless.

[Medina Luna] Precisely. The offer will determine the level of prices. We believe that the consumer will have more products to choose from in the measure that his options increase. In fact, the people are used to protected markets and they will feel that there is competition—which will curb the tendency to increase prices. This will therefore result in lower prices for the consumer.

[Valdes] Does this disrupt the traditional market, the controlled market in Honduras?

[Medina] In a certain way, but it is certainly a step in that direction.

[Valdes] Does it favor the private sector?

[Medina Luna] It emphatically favors the consumer and, we believe, the businessmen.

[Valdes] It does not matter if the private sector reacts negatively?

[Medina Luna] We believe that...[changes thought] We have conducted in-depth analyses and we believe that this definitely represents an opportunity to increase efficiency and competitiveness in the national production sector.

[Valdes] Do you wish to add something for the Honduran people who will hear you now?

[Medina Luna] We are happy to take that step. We believe it is something positive that will create benefits for the national economy.

[Valdes] Honduras had not participated in a free trade market for 20-21 years.

[Medina Luna] We actually finished that in 1969. Afterwards, during 1969-1970 we participated in negotiations. In 1982 we had basically kept bilateral trade relations with Central America. This first step will eventually lead to the creation of a free trade zone.

### Venue for Next Two Summits Set

*PA1707192991 Guatemala City Teleonce Television in Spanish 0400 GMT 17 Jul 91*

[Report by Rodolfo Florez and Pedro Yax, from San Salvador]

[Excerpts] [Florez] This is an exclusive report, a scoop for Guatemala. The text of the final resolution that the Central American presidents will sign tomorrow afternoon is not known yet, but it has already been established that the next meeting, that is, the 11th presidential summit, will take place in Honduras on 12 and 13 December.

In the framework of calls for the prompt integration of Panama into the Central American region and for its being considered another Central American country, the Panamanian delegation had requested that the next summit take place in Panama, but it was agreed by consensus that the Panama summit would hopefully take place in 1992. So it should be clear that the next meeting will take place in Honduras on 12 and 13 December of this year. The meeting in Panama would take place in December 1992. [passage omitted]

Here is something else interesting. This is also an exclusive scoop for Guatemala. The reactivation of the Organization of Central American States has been approved and ratified. It is to take place within 90 days. This was one of the most important points of the agenda. [passage omitted]

### Calderon Calls Summit 'Extraordinary'

*PA1707230391 Mexico City NOTIMEX in Spanish 1933 GMT 17 Jul 91*

[Text] San Salvador, 17 Jul (NOTIMEX)—Costa Rican President Rafael Calderon today described the 10th Central American summit which concluded here today as "extraordinary" in view of the achievements obtained in the areas of political and economic integration.

The president said that Panama's integration into the Central American bloc was the most important political agreement of the summit. Regarding the economic achievements made, he called the signing of a free trade agreement with Venezuela "transcendental".

"The climate of fraternity in the area is extraordinary and will aid us in seeking integration through development and in increasing joint efforts toward peace," Calderon told reporters.

The president said that the "San Salvador Declaration" will make a general condemnation "of everything that is violence" in the area. He noted that in El Salvador "the people in particular have the right to live in peace and to improve their living standards."

In that sense, the president said that although each country of the region must organize its armed forces or security forces on the basis of its domestic needs, "we must spend less on weapons and more on social projects for the vast majorities."

After the closing of the event, which will be held again in Honduras, the presidents will travel to Mexico accompanied by their Chilean counterpart Patricio Aylwin to take part tomorrow in the first Ibero-American summit of chiefs of state and government.

### 'Text' of Declaration

*PA1807164891 Panama City ACAN in Spanish 0220 GMT 18 Jul 91*

["Text" of "San Salvador Declaration" read by President Alfredo Cristiani, at the closing ceremony of the 10th presidential summit, at the Central Reserve Bank in San Salvador—live]

[Text] Declaration of San Salvador

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama met in the city of San Salvador, Republic of El Salvador on 15, 16, and 17 July 1991 in order to analyze the situation prevailing in the area, and to define the adequate institutional mechanism to effectively achieve Central American integration in the political, economic, social, and cultural sectors. Taking into consideration the results of the efforts exerted in the search for peace and economic welfare of our people, through respect for human rights, national reconciliation, and dialogue; the consolidation of democracy and the strengthening of its institutions, the legal state, and the mechanisms for the creation of an atmosphere of trust, cooperation, and security.

Whereas:

The changes and transformations which have occurred in recent years throughout the world place Central America in a historical phase that implies a renewed vision of its own integration process and its participation in a world order that is characterized by interdependence, the appearance of new forms of integration and cooperation, and an effective enforcement of international laws. Persuaded that it is necessary to continue all these efforts and to actively incorporate Central America in the new international order, they agree:

1. To reassert their pledge to continue to strictly abide by the Esquipulas Agreements, whose mechanisms have allowed for significant progress in the achievement of peace and democratization—essential conditions for the enjoyment of freedom within a framework of justice that sponsors development.

2. To reassert their conviction that the legitimacy of public power is a result of the people's will, freely expressed in electoral processes.

3. To strongly condemn violence, terrorism, and destabilizing acts which threaten democratic processes, as well as the use of violent means to achieve political goals.

4. The presidents of Costa Rica, Guatemala, Honduras, Nicaragua, and Panama again state their recognition and decided support for the Salvadoran Government and its president. They state their support for the efforts exerted and the measures adopted to strengthen the country's democratization process, which is proven by the existence of a broad political dialogue, the March elections, the creation of a larger and totally pluralist Legislative Assembly, and the start of the constitutional reform process. This reform process is mainly aimed at reasserting the supremacy of a legally appointed government and at restoring mechanisms which guarantee respect for human rights, strengthen the judicial branch and the management of justice, and perfect electoral processes. The presidents also state their support for El Salvador's firm determination to continue the search for peace, national reconciliation, and a political solution to the country's internal conflict.

To reassert again their rejection of acts of violence and terrorism because they consider them to be completely unjustifiable and because they are fully aware of the development of the dialogue and negotiation. Since they are firmly convinced that the necessary conditions are given to achieve this, they demand—for Central America's welfare and under the UN verification—the disarmament and demobilization of the FMLN [Farabundo Marti National Liberation Front] so that it joins El Salvador's civilian, institutional, and political life within a fully legal framework.

5. The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama state their great satisfaction with the progress achieved based on the overall, realistic, and nationalist initiative presented by Guatemalan President Jorge Serrano Elias which allows—through a dialogue and according to the approved agenda—the incorporation of the members of irregular forces to the country's political and peaceful life within a constitutional framework.

They also support the creation of the National Fund for Peace (FONAPAZ) in Guatemala, to facilitate this incorpoation, which positively influences the success of the national reconciliation process.

6. To accept with pleasure the Panamanian Government's decision to actively and fully join the Central American integration process, taking into consideration its new economic and social policies and the recommendations made by the Mixed Commission for the Integration of Panama on how growing links with the integration process of the region should be established in a gradual and complementary fashion.

In seeing with pleasure Panama's decision to immediately initiate the necessary technical studies to establish multilateral commercial relations with the other countries in the region and to facilitate the incorporation of that sister nation, has decided to modify the constitutive treaty of the Central American Parliament and other political bodies, the agreement on regional cooperation for the eradication of illegal drug trafficking, and the agreement of the Central American Environment and Development Commission.

7. To issue instructions to the Security Commission, which in accordance with the mandate in the Puntarenas Declaration shall adopt as soon as possible an agreement on security, verification, control, and limitation of weapons, and the number of soldiers.

To thank the Honduran Government for its presentation of a draft Central American Security Treaty, which will be submitted to the Security Commission for its study and consideration.

8. To activate the Organization of Central American States, ODECA, as a regional institutional system that will follow up all the decisions made at summit meetings and that will coordinate implementation of those decisions. For this purpose, the implementation commission has been instructed to draft and prepare within 90 days, a protocol bringing up to date the juridical framework of ODECA and adapting it to current situations and needs. While drafting the protocol, the implementation commission will consider all the projects on institutionality that may have been presented to that commission.

To create a Community Council as a temporary mechanism in charge of adequately following up and coordinating the implementation of decisions adopted at summit meetings. This council will be composed of the foreign ministers and of the ministers responsible for Central American economic integration and regional development.

For intersectorial matters, this council will include the ministers having to do with the interested sectors. Specific matters will be the exclusive responsibility of the respective ministers. Community Council proposals will be coordinated with the foreign ministers, who will prepare the agenda for the presidential summits.

To issue instructions to the competent authorities who shall present within 90 days a proposal to create a mechanism to finance on a permanent basis the activities of the Secretariat of Central American Economic Integration.

In addition, to issue instructions to the implementation commission, which, taking into consideration the corresponding authorities in each case, will evaluate the juridical framework of the various regional forums and organizations, reviewing the possibility of incorporating them into the institutional context.

9. To express satisfaction for the beginning of preparatory work to install the Central American Parliament in order to promote the participation of all countries in the area. Given its planned installation, we have signed a protocol to add to its constitutive treaty in order to extend the deadline for elections up to 36 months from

the date of its installation and to allow for the participation as observers of the countries that, having signed the treaty and its protocols, have not elected deputies to the parliament.

10. Aware of the need to normalize Honduras' legal participation in the Central American economic integration program as well as in an unrestricted free trade zone, and as a step toward consolidating regional integration and guaranteeing an adequate incorporation of Central America into the international economy, we hereby express our satisfaction with the signing of a temporary multilateral free trade agreement between the Government of the Republic of Honduras and the Governments of the Republics of Guatemala, El Salvador, Nicaragua, and Costa Rica, which is included as an annex. This agreement must be interpreted as the first step of the incorporation of Honduras into the new Central American Economic Integration Treaty, which must be defined in order to achieve those objectives.

11. Aware of the important role played by the rural population and agricultural producers in the new strategy for regional integration, we have agreed to adopt and promote an Action Plan for Central American Agricultural Development, PAC, [Plan de Accion Para la Agricultura Centro Americana] which has been included in this declaration as an annex. PAC's purpose is to encourage agricultural production, consolidate interregional trade of agricultural products, guarantee food supplies, and increase and diversify exports. We have also agreed to instruct the agriculture ministers and those responsible for integration to implement the agreements contained in section two of the PAC, in order to start liberalizing trade of basic farming products no later than 31 December 1991, adhering to the price list system [sistema de banda de precios]. Also, a standard commercial policy must be defined by that date so that interregional trade of agricultural products can be totally liberalized by 30 June 1992. We have agreed to recognize the Council of Central American Agriculture Ministers and its secretariat as the institutional mechanism linking that sector with the other mechanisms of Central American economic integration.

12. To approve the creation of the Central American Health Ministers Council; strongly support its health initiative for Central America; and urge the international community to continue providing support and cooperation for the implementation of said plan.

13. To instruct health ministers to continue implementing measures to prevent and combat cholera—in view of the danger that the spread of this disease to Central America poses to our peoples—and to ask international specialized agencies to continue providing technical and financial support. Also, to thank the news media and active sectors of society for their valuable contribution and to ask for the continuation of this cooperation to intensify a sanitation and health campaign.

14. To create a Central American Housing and Settlement Council, comprising the ministers or persons in charge of this field from each of the Central American countries.

15. To reaffirm that the Central American Bank of Economic Integration [BCIE] is the adequate mechanism to funnel additional foreign resources to support the region's development and economic integration. In pointing to the progress achieved in strengthening the BCIE's financial and institutional policies and to the recent incorporation of China and Venezuela as extraregional partners, the presidents agree to continue to fully support its efforts in the region.

16. To underscore the progress of the projects by the Association for Democracy and Development [Asociacion Para la Democracy y Desarrollo—ADD], in Central America, which constitutes a valuable initiative of friendly countries to promote cooperation with the Central American isthmus through the program to reinforce democratic institutions and support the economic and social development of the region. This unconditional backing, which is to complement and add to the existing cooperation, commits the area countries to define their priorities. For that reason, the presidents are entrusting their foreign ministers to identify as soon as possible, in coordination with the appropriate authorities, regional projects that are to be submitted at the upcoming meetings of the Coordinating Committee and the full assembly [not further specified].

17. To underscore the importance of creating a regional forum for dialogue and provide support to integration, in which business, labor, academic, and other interested sectors are to participate in addition to government sectors. To expedite the creation of the Coordinating Committee for the Development of Central America, as suggested by the Sanford Commission, which will meet in Managua and serve as a governmental mechanism to consult with various public and private sectors to achieve the economic reactivation of the region.

18. To urge the international community—as we note the progress made in the implementation of the action plan of the International Conference for Central American Refugees, Cirefca, to help the region's uprooted populations—to support the new priorities mandated by the changes that have taken place in Central America, as well as the proposals based on these priorities that are to be submitted in the second international meeting of the Cirefca's follow-up commission, which is to take place in early 1992.

19. To note their satisfaction over the proposal made by the EC Commission to its Council of Ministers to approve the regulations that extend the generalized preferential system to Central American countries. In this respect, we urge the EC member states to approve this proposal during their Council of Ministers.

20. To instruct the ministers in charge of the integration of Central America and the presidents of central banks to

consider adopting a mechanism to provide practical, unique, and realistic solutions, which include the immediate implementation of a plan to renegotiate Nicaragua's intraregional debt with preferential and long term interests.

21. To promote an urgent operation to protect, improve, modernize, and expand the existing transportation infrastructure in Central America, and to give their full support to the proposal submitted by the ministers in charge of transportation, (REMITRAN) to increase commercial exchange within Central America and exports to outside the region. We are also asking these ministers to submit as soon as possible a project to link Central America and Panama by land.

22. To give their support, considering the importance of educational and cultural integration, to the agreement drafted on these matters by the appropriate ministers and to promote the final signing of this agreement.

23. To create a regional committee on social matters, as part of the presidential summits. Said committee is to comprise the first ladies of the region and will constitute a means with which to coordinate and provide follow-ups in order to properly handle the social problems of various sectors of the region. In this respect, we are to instruct the different national forums to fully enforce the agreements issued by this committee and ask that said committee submit a report to subsequent meetings on the activities carried out in their respective countries.

Bearing in mind that the 44th UN General Assembly proclaimed 1994 as the International Year of the Family with the slogan: Family, Resources, and Responsibilities in the Changing World, to entrust the first ladies of Central America and Panama to coordinate and organize the activities to celebrate this important event.

24. To welcome with pleasure and support the agreements reached during the first ladies' meeting that are included in the annex, and within this context to promote promptly the adoption of legislative, administrative, and judicial measures in our respective countries in order to effectively fight against the illegal trafficking of minors in the region and accept the work document presented by the first ladies for its consideration and analysis it, order to provide an answer to this serious problem that violates the rights of children as specified by the United Nations.

25. To support and promote the project of the Electrical Interconnection System of Central American Countries, SIEPAC, that was recently reorganized. Likewise, to hold pre-feasibility studies for the electrical interconnection of the Central American countries, Colombia, Mexico, and Venezuela.

26. In view of the creation of the Permanent Commission on Narcotics Trafficking, to instruct the Executive Commission to obtain resources for the proper operation of the Executive Secretariat of that commission.

27. To express satisfaction with the efficient work of the Central American Commission of Environment and Development that has made effective progress in protecting the environment in the area. To this effect, to instruct the Executive Commission so that very soon it will analyze and solve the projects that have been presented on this subject and that are detailed on the annex, as well as to instruct the authorities responsible for the natural resources of the region on the prompt and full implementation of the tropical forestry plan for Central America.

28. To approve the following parameters for the tariff negotiations as agreed upon by the ministers responsible for economic integration and regional development:

a. The tariff levels as of 31 December 1992, the date when the Central American uniform tariff goes into effect, will have a ceiling price of 20 percent and a floor price of 5 percent with mid-level prices of 10 and 15 percent.

b. The countries will agree on a list of essential products that will have a special uniform treatment. Likewise, a list will be drafted on the exceptions of fiscal goods that could have a tariff higher than 20 percent.

c. Simultaneously with the macro-economic policies of the countries, a reduced list will be drafted on the products that will reach the tariff levels that have been agreed upon, no later than 31 December 1994. In order to achieve this, a program for lowering tariffs will be established. If necessary, and following a ruling from the SIECA [Secretariat of Central American Economic Integration], the appropriate compensation measures may be implemented to restore competetive relations. Likewise, we urge the ministers responsible for Central American economic integration and regional development to comply with the program to dismantle the obstacles to intra-Central American trade contained in the Modifying Accord to the Financing Agreement ALA 89/12 with the EEC that is included in an annex that concerns the Central American system of payments within the terms that were agreed upon.

29. To conduct negotiations with Mexico within the framework and criteria previously established in the agreements signed in Tuxtla Gutierrez. Central America will act as a region through the commission of Mexico-Central America economic complementation, without affecting the bilateral progress made by the individual countries.

The commission must be notified of this progress to achieve the goal of establishing a consensus on the creation of a free trade area.

We agree to declare our pleasure at the adoption of guidelines for a Framework Agreement on Free Trade and Investments Between Venezuela and the Central American countries, which is open to letting the Republic of Panama join, and which establishes the principle of asymmetry within a generous perspective,

taking into consideration the relative development achieved between the signatory countries. This agreement also bolsters Latin American integration, renders regional economies more competitive at an international level, and allows the overall development of our societies.

We agree to reassert the need to step up negotiations with the U.S. Government so that countries in the Central American region may receive the benefits of the Americas Initiative. Referring to this, we ask the United States of America to quickly carry out the negotiations for free trade agreementts with Central American countries,, within the limits granted by the U.S. Congress to the Executive Branch, called fast track legislation. Central America will act as a region without detriment to the bilateral process that may be individually achieved by the countries.

The aforementioned advancements will have to be reported to the ministers responsible for the integration.

Central America calls on Canada to participate in the trade liberalization initiatives, which the United States of America and Mexico have offered Central America.

To acknowledge the efforts by the Colombian Government to intensify cooperation with Central America and open the Colombian market to export products from the Central American region.

30. To acknowledge with satisfaction the positive response from the Inter-American Development Bank, IDB, with regard to the creation of a consulting group of support to the Central American region. We urge the IDB to continue with the studies and analyses to further the aforementioned group.

In addition, we welcome the initiative of IDB president Enrique Iglesias in supporting the various institutions in the region.

31. To express our satisfaction with the advancement made by the different organizations, forums, and agencies involved in the process of economic integration, explained in the report on progress of mandates of Central American presidential summits. This report was presented by the ministers responsible for the regional integration and development, which is included as an annex of the present declaration.

32. To note the importance of the first Ibero-American summit, which will take place in Guadalajara, Mexico. This summit is aimed at seeking ways to establish strategies that will make the relations of cooperation among Ibero-American countries more solid and fruitful, by giving Central America new perspective for its goals and interests.

33. To recognize the importance of strengthening the ties of Central America with other sub-regions. In this regard, we note with satisfaction the next ministers meeting Central America-Caricom [Caribbean Common Market], scheduled to take place in late November, 1991, in San Pedro Sula, Honduras. During this meeting, the participants will basically discuss issues of cooperation and intraregional trade.

34. To welcome the agreements of the first meeting of the planning ministers and the second meeting of labor ministers of Central America and Panama. We urge them to continue with their efforts to meet their goals.

35. To receive with special interest the proposals made by the regional commission of small- and medium-sized producers in order to secure the food needs of Central America, and instruct the corresponding agencies to analyze and consider the aforementioned recommendations, so as to seek an adequate response to the problems explained.

36. To support the work by the University for Peace, and urge the international community to support the initiative of UN Secretary General Javier Perez de Cuellar so as to strengthen this international organization, based in the region, by means of a fund for peace.

37. To express satisfaction with the agreement signed by the foreign relations ministers to coordinate actions with international organizations, including Central American agencies.

38. To note the importance of the nomination of Dr. Bernd Niehaus Quesada, Costa Rica foreign relations minister, for the post of secretary general of the OAS. We decide to support the nomination of Dr. Niehaus, as a show of the solidarity and fraternal spirit that prevails in Central America.

In this regard, the presidents of El Salvador, Honduras, Guatemala, Nicaragua, and Panama have instructed their foreign relations ministers to take steps in a coordinated manner to promote the candidacy of Dr. Niehaus, within the framework of integration and the new projection of the Central American isthmus at the international level.

39. To meet in the Republic of Honduras on 12 and 13 December, 1991, preferably to discuss social issues in order to promote the preparation and implementation of a regional program to reduce proverty. This will be accomplished by integrating the capacity to improve human development with the increase in productive capacity as well as the income of the most vulnerable groups.

40. The presidents of Costa Rica, Guatemala, Honduras, Nicaragua, and Panama do hereby thank Salvadoran President Alfredo Cristiani as well as the Salvadoran people for the hospitality and attention received, which contributed to the success of this meeting.

San Salvador, Republic of El Salvador,
17 July, 1991

### Cristiani Comments on Declaration

*PA1707163991 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Jul 91*

[Text] President Alfredo Cristiani has said that the point in the summit's declaration that deals with El Salvador is almost complete. Cristiani said that the point will basically refer to the reaffirmation of his administration's commitment to attain peace.

The president also refuted the statements made by the rebels on one of the clandestine radio stations asking the area's leaders to give their decided support to the negotiation process that started over two years ago with UN mediation.

After arriving in our country to attend the Central-American summit, Venezuelan President Carlos Andres Perez stated his determination to support the peace effort of the Salvadoran Government and guerrillas.

President Perez said that he supports all steps aimed at ending the conflict in our country.

Hugo Carrillo Corleto, the Salvadoran ambassador to Venezuela, said that supporting the negotiation process between the Farabundo Marti National Liberation Front and the Salvadoran Government is of primary importance.

### CA, Panama, Chile Declaration

*PA1807042691 San Salvador Radio Cadena YSKL in Spanish 2010 GMT 17 Jul 91*

[Joint statement issued by the presidents of Central America, Panama, and Chile at the Salvadoran Central Reserve Bank, at the closing ceremony of the 10th presidential summit of Central America and Panama; read by Costa Rican President Rafael Calderon Fournier—live]

[Text] Your Excellencies, Presidents of the Republics of Chile and Central America, distinguished First Ladies, ladies, and gentlemen:

I have the honor of reading the joint declaration which was issued by the Governments of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Chile. The declaration states the following:

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama invited His Excellency the President of the Republic of Chile Patricio Aywlin, to attend the presidential summit of Central America and Panama in San Salvador between 15 and 17 July, and President Aywlin accepted their invitation and visited El Salvador on 17 July 1991.

The Chilean president stated that it was a great honor for him and his country to have been invited by the presidents of Central America and Panama to accompany them at this summit. He added that he greatly appreciated the gesture, as it showed trust and friendship and especially because it would allow him to participate in the study of the region's most pressing problems and approaches to the attainment of peace, democratic consolidation, human rights respect, social justice, and regional development.

The presidents exchanged [six-second break in reception] in world and region. They exchanged experiences with regard to the political processes in their respective countries and agreed that they shared the following similarities:

1. The need for all peoples and governments to fully support efforts geared to reaching a new international order, based on democracy, social justice, and respect for human rights.

2. The will to explore and open new possibilities for joint actions and cooperation among the peoples and the regions in our continent, in the context of the reinstated validity of pluralist democracy.

3. The agreement to strengthen Latin America's integration and cooperation as valid alternatives to promote development and to confront the challenges of the new international order successfully.

4. The agreement that in that new international order, it is essential that peace, democracy, and political and economic freedom be accompanied by social justice and equality of opportunity for all nations and individuals.

5. The agreement to back the Santiago agreement for democracy and the renewal of the Inter-American system as approved at the recent OAS General Assembly, which proposed that representative democracy in the region be protected and promoted as an expression of the legitimate manifestation of the people's will, within the framework of the invariable respect of the sovereignty and independence of the member states.

6. The decision to coordinate actions to combat drug trafficking and protect the environment.

The presidents of Central America and Panama expressed their deep satisfaction for Chile's progress in its transition to democracy and in the skill with which President Aywlin has carried out the national reconciliation process in his country.

President Aywlin expressed his total support for the democratization and pacification processes in the Central American region and praised the efforts made to get all sectors to enter the legal, political, and institutional life of their countries.

He also expressed his firm support for the ongoing negotiations between the Guatemalan Government and the Guatemalan National Revolutionary Unity and between the Salvadoran Government and the Farabundo Marti National Liberation Front. He underscored the importance of political agreements being reached as soon as possible to be able to definitively end armed confrontation.

The presidents agreed on the need to strengthen the ties between Chile and the Central American region in the political, cultural, economic and cooperation fields. In this respect, the presidents decided to promote economic, scientific, and technical cooperation programs between Central America, Panama, and Chile. These programs are to include:

A. Technical assistance and exchange of information to prepare and implement programs in different areas of interest.

B. Scientific-technological cooperation programs between universities and investigation institutes.

C. Training of human resources in priority areas at courses, seminars, and general or specific exchange of information in Chile or in the Central American countries and Panama.

D. Establishment of programs that will allow for the exchange and promotion of culture among the signee countries.

E. Promote the cooperation of Chilean private business sectors in programs of interest in Central America and Panama and of Chilean private sectors to advise or directly invest or co-invest in programs.

F. Boosting the private sector of the signatory countries so they can participate in exhibitions. This cooperation is to be conducted based on bilateral cooperation agreements and multilateral programs agreed upon within the framework of the OAS and UN, as well as on the agreements of the Action Committee to Support the Economic and Social Development of Central America [Comite de Accion de Apoyo al Desarrollo Economico y Social de Centro America]. A joint commission of the signatory countries will also be established to program and coordinate activities related to cooperation, ensuring the reactivation of existing bilateral programs. The presidents agreed to point to the following as preferential areas for cooperation programs:

1. Agriculture, agro-industry, cultivation of fruit trees, horticulture, and [word indistinct].
2. Low-scale and industrial fishing.
3. Mining and mining industry.
4. Forestry and forest industry.
5. Public management and state reforms.
6. Economic efforts, marketing, and promotion of exports.
7. Exchange of experts from different fields.
8. Scientific and technical research and cooperation among universities.
9. Education and culture.
10. Housing, planning, and urban and rural community development.
11. Health and food programs.
12. Environment and protection of natural resources.
13. Energy and hydroelectric infrastructure.
14. Micro- small-, and medium-scale enterprises.

The president of the Republic of Chile also went on record as expressing his willingness to cooperate with the existing programs to rebuild areas affected by armed conflicts, in terms of infrastructure, social services, resettlement of population, and others that may be required by this endeavor.

The governments will work on designing specific cooperation programs that are to be implemented within the framework of this statement so they can be effectively put into practice.

The presidents of Central America, Panama, and Chile also agreed to foster a significant expansion of trade and investment between this region and Chile.

Issued in San Salvador, El Salvador, on 17 July 1991

## Cristiani Delivers Closing Speech

*PA18[illegible]7034691 San Salvador Radio and Television Networks in Spanish 2025 GMT 17 Jul 91*

[Speech by Salvadoran President Alfredo Cristiani, at the closing ceremonies of the 10th presidential summit of Central America and Panama, in Central Reserve Bank in San Salvador—live]

[Text] Most Excellent Presidents of Chile and Central America, First Ladies, friends: I am deeply honored to address you this afternoon, on behalf of my colleagues, the presidents of the Central American isthmus, the illustrious president of the Republic of Chile, Patricio Aylwin Azocar, whose presence at this summit fills us with great satisfaction and gives us renewed vigor to continue our efforts to secure our clear desire for a Central America amid peace, progress, and democracy.

Winds of dramatic transformations are blowing on the political, economic, and social structures in all the world latitudes. The era we are living in is marked by changes in all aspects of human development. In the past few years, we have witnessed great changes in the geopolitical and macroeconomic panorama of the world. We have seen how the totalitarian political schemes of different ideological trends have been toppled by the inexorable passing of history and reality of peoples.

Our current world is immersed in that process of changes and redefinitions to satisfy the needs generated by the dynamics of the modern societies. Within this context, determined by the evolutionary and creative process that envelops all the international community, the countries that form part of the isthmian region are also engaged in political, economic, and social processes that generate positive forces of transformation and structural reorganization.

Our Central America, Mr. President Aylwin, is certainly experiencing the most crucial and decisive moment of its history. The most extraordinary thing about it is that in all our sister countries, democracy has been institutionalized and is part of the modern Central America. The

strengthening and consolidation of regional peace is another component that also forms part of our Central American reality.

This 10th summit of presidents of Central America and Panama, which is being held in keeping with the Esquipulas Agreements, constitutes an unequivocal and manifest demonstration that our countries, preserving their particular characteristics, are marching together toward a total and prompt regional integration, with the purpose of forging the Central America of nationalities. The integration of our sister republic of Panama into the integrationist process of the isthmian region is more evidence of the consolidation of the integration process that we presidents of the area are promoting. During our conversations, the presidents have secured vital and transcendental agreements to create the institutions and mechanisms to integrate our nations. We are happy to say that the expectations that had been generated by this summit have been broadly satisfied and have even exceeded our expectations.

The visit by the most excellent president of the friendly republic of Chile does not only honor us, but strengthens us, since we recognize President Patricio Aylwin's indisputable leadership in the continental and international scenario. To enjoy the presence of the illustrious Chilean president at this Central American summit is a source of pride for Central America and a historic event that will mark an era of more vigorous and cordial relations with the country of forefather Bernardo O'Higgins. Your visit, Mr. President, represents a gesture of stimulus and support for the processes of peace and integration that are being carried out in Central America, principally for the consolidation of our democracies.

Mr. President, on behalf of my colleagues, the presidents of Central America and Panama, I express our undying gratitude for coming to our land to give us the support of your beloved nation, which is a dignified example to emulate with the great achievements attained in its political, economic, and social development. We have always felt very close to the hearts of the Chileans. Our countries, Mr. President, are very grateful for your stopping over, because Chile throughout our history has been a beacon that has illuminated our countries with its culture and history. We are pleased to express our deepest appreciation for your attendance at this 10th summit of Central American presidents. At the same time, we wish to reiterate our admiration of your leadership in the consolidation of democracy, peace, and the overall development of the Latin American countries. Thank you very much.

### Chilean President Aylwin Speaks

*PA1807024091 San Salvador Radio Cadena YSKL in Spanish 2030 GMT 17 Jul 91*

[Speech by Chilean President Patricio Aywlin at the Salvadoran Central Reserve Bank, at the closing ceremony of the 10th presidential summit of Central America and Panama, in San Salvador on 17 July—live]

[Text] Your Excellencies Presidents of the Republics of El Salvador, Costa Rica, Honduras, Nicaragua, and Panama and distinguished First Ladies, Guatemalan Government representative, ladies, and gentlemen:

First, I sincerely want to thank the distinguished presidents of El Salvador, Costa Rica, Guatemala, Honduras, Nicaragua, and Panama for inviting me to the presidential summit of Central America and Panama. I am deeply honored to attend the summit. I accepted the gesture in the name of my fellow countrymen and as a sign of affection for our fatherland.

It is the first time in many years that a Chilean president has made an official visit to these lands. The visit takes place at an important time [words indistinct] for our Latin American Continent. This is a time of hope, during which we are rekindling the democratization process and overcoming past days of dictatorship and populism which have left deep scars in our countries. On this new path, and now that winds of freedom are blowing all over the world, our countries join to present their own contributions to the creation of a new international order.

This takes place not by coincidence but because of the strong desire of our peoples, which has been expressed in their struggle to attain peace, liberty, freedom, and progress. This has been the mark of the Chilean experience during the last few years. Our country learned that in pain, there are more things that unite us than separate us. To go from authoritarianism to democracy, we learned that it was necessary to leave confrontation behind, guided by a strong commitment to national reconciliation.

More than a year has passed since the democratic government took office and we have reestablished a civilized atmosphere in our coexistence. To do this, it has been necessary to face the problem of the human rights violations which took place in recent years. With this in mind, we created the National Commission of Truth and Reconciliation, formed by persons of different political ideologies and recognized moral prestige. After nine months of thoroughly investigating this matter, the commission presented a report that establishes the painful truth of what happened.

We are now working to give the victims their dignity back, compensate their relatives as much as we can, and seek justice within the framework of the current legal situation. We know that the wounds are slow to heal, but we are travelling the path that will lead us to the healing of the wounds, with the hope and support of most Chileans.

However, the recovery of democracy for Chileans does not only mean restoring coexistence and returning to institutional normalcy. It also means making a future and common dream come true so as to make Chile become a developed country which will offer all its citizens the possibility of a better life. We understand that democracy not only represents the advantages of enjoying freedom and having possibilities to honor the

building of a common destiny. It also represents the responsibility to respect one another and assume one's role in this common task.

This is why we are strongly supporting the economic growth of the country and at the same time trying to couple this growth with [words indistinct]. Thus, the common work and the participation of all will make our fatherland a prosperous, fair, and solidary place.

The Chilean people have made an enormous effort to have a healthy economy, reduce inflation, and establish clear-cut regulations in our relations, within the framework of an open economy. We know that economic growth depends, to a large extent, on the creativity, discipline, and innovative character of the people. However, we also know that in today's world, which becomes more inter-dependent with time, the efforts of the people are necessary but they are not enough.

That is why the difficult but glorious task of building peace, democracy, and progress in our nations requires more than ever that we face this common task united. The current situation of Central America, where we recognize the same values and aspirations that have been present in our country, seems extraordinarily favorable for making progress in reaching new mutually beneficial agreements.

We cannot but praise the courageous measures adopted by each nation to seek national and regional reconciliation, as well as the commitments aimed at ending hostilities, supporting the democratization processes, promoting free elections, suspending assistance to irregular forces, incorporating irregular forces into the political life, and supporting the policy against the use of territory to launch attacks on other states. These and so many other actions are part of the reconciliation spirit that opens up new perspectives to this region.

History has demonstrated that the achievements supported by violence or the imposition of mechanisms other than dialogue are shortlived. Thus, we value and appreciate the ongoing pacification process and express our support for the success of the efforts going on in El Salvador and Guatemala. We also recognize the United Nations, OAS, and friendly nations for contributing to the attainment of peace in this region.

Your Excellencies, the new international scenario demands that our countries take a decisive and realistic attitude toward the increasing integration. We must again march together, as we did in the past, to contribute to the integration process of our America. We hope to put our desire to cooperate in practice by trying to effectively increase commercial, technical, scientific, and cultural exchanges among our countries. [Words indistinct] like those we have reached within the framework of the Latin American Integration Association [ALADI], and those we have signed with several countries of the region. Without affecting the possibility that these agremeents may be complemented and perfected, it is necessary that we work to give them a specific meaning. [Words indistinct] exchange and cooperation with your countries. To do this, we will open a commercial office in Central America.

In this spirit, I express our willingness to cooperate in the measure that we can in the effort to rebuild and develop Central America. There are several areas of common interest including, among others, public administration, public security, the economic sector, technical and scientific research, education, and the cooperation among universities. In all of the aforementioned areas, it is possible to begin joint programs of technical assistance, training in human resources, research, exchange, and enterpreneurial cooperation projects. This can be done by promoting the participation of the private sector in investment, commerce, or mutual benefit projects. We are working toward this, and we hope that these projects will be a reality in the short term.

The document that we have just signed represents a step forward and a starting point of a decisive effort in this direction. The [words indistinct] integration experiences that have been consolidated in other areas of the world in recent years must be an incentive to modernize our economies, promote an opening to foreign investments, and strengthen our participation in the new international context.

The important steps that Central America and Panama are taking to complement areas of their economies and mobilize their efforts in the pursuit of new forms of integration indicate that, without neglecting the difficulties, it is possible to move along this path with realism and desire. This is the enterprise that joins our peoples and men and women of goodwill, because it implies turning our continent into a place that will offer prosperity to all its citizens.

Being here today and meeting with the presidents of the countries of this region, I have had the opportunity to learn of their desires and efforts. In this summit, I have had the oportunity to share the faith of a people who love freedom so much and have struggled for peace with the weapons of peace.

Our experience and that of this region allow us to believe that we can indeed build a future of peace, justice, and freedom that our people deserve. Allow me to conclude by expressing that I am greatly honored to have the opportunity to attend this fruitful summit. During this summit, the people of Central America and Panama have demonstrated their ability to reach agreemeents and advance in order to seek the integration, progress, and consolidation of their democracy and justice in the relations among their people. I congratulate you on the job that you have done. I congratulate myself for being here and I thank you for the opportunity that you have given me. I take it as a demonstration of the appreciation for our fatherland, Chile, in this part of our America. Be assured that Chile loves you as well. Thank you much.

## President Callejas Closing Speech

*PA1807033391 San Salvador Radio Cadena YSKL in Spanish 2045 GMT 17 Jul 91*

[Speech by Honduran President Rafael Leonardo Callejas at the closing ceremony of the 10th Central American presidents' summit at the Central Reserve Bank in San Salvador—live]

[Text] Chilean President Patricio Aylwin, Central American presidents, distinguished representatives of friendly countries and of the international missions, ladies and gentlemen:

The meeting of Central American presidents in San Salvador has been held in a warm and cordial atmosphere that is characteristic of our meetings within the framework of Esquipulas II. On these occasions, it has been, and continues to be, our strongest desire to open the doors for understanding and human solidarity. Throughout our meeting, the presidents and delegations have reaffirmed our need for reconciling our points of view and particular interests. Our concern has been to achieve higher goals of political and economic concerted efforts, in addition to strengthening the historic ties that unite us. This is an urgent need, particularly today when our region has the opportunity to guide its efforts to attain the development that we cherish and that was hindered by the economic recession and political problems that we confronted in the past decade.

The Central American presidents are moved by the strong conviction that the nations forming part of the isthmus should not be considered only an economic organization. To regard Central American development under such terms is (?to accept) that our peoples and the entire unity respond to the simplistic patterns of ideologies that crumble as their dogmas are impractical and to try to regard man as an instrument and not a goal of society and the duly organized state.

We have always recognized the benefits and weaknesses that democracy and pluralism entail, such as respect for the dignity of human beings, political and religious freedom, the right to [word indistinct], and personal success, as well as access to education and economic and social progress with justice and freedom.

The Central American presidents want our peoples to participate actively with their spiritual, intellectual, and material wealth in the activities that are changing the world today. We recognize the moral qualities of our nations, the strong nature of our political culture, and the sovereign rights we have to enjoy the benefits of development. We have felt the wishes of our peoples to change and transform our realities. Due to our unionist feelings, we understand the people's needs for a Central American community, far from the violent confrontations among brethren.

Therefore, with a pacifist push that encourages our people, we make an appeal for achieving as soon as possible an end to the armed confrontation in El Salvador and Guatemala. We recognize the efforts of Alfredo Cristiani and Jorge Serrano Elias in the search for peace.

In the field of regional security, negotiations will continue to achieve an agreement in the limitation and control of arms and troops of the Armed Forces and security forces in our respective countries. The Government of Honduras has presented to this summit a draft treaty that gathers the elements that have been identified as basic in the search for military balance and the reestablishment of trust in the region. I feel personally pleased that our proposal has been considered by the presidents—and I thank them—and that the Esquipulas Security Commission will shortly begin a discussion that we know will be fruitful for defining its future adoption.

The transformations and changes in our society are closely linked to the progress of our economies. Only through continuous economic development will we achieve full implementation of freedom and peace. On this opportunity, we have thoroughly discussed our common problems and the alternatives for confronting them in order to strengthen the Central American community as an enterprise with clearly defined goals. In this summit, we have adopted an important historical decision filled with a strong Central American spirit, that will allow the three Central American countries that have not yet held elections for deputies to the Central American Parliament—the political forum of integration—to hold them in a reasonable time. They have participated as of now as observers in the parliament. We appreciate and congratulate Rafael Angel Calderon Fournier, Violeta Barrios de Chamorro, and Guillermo Endara for their foresight.

On the other hand, our endeavor to make changes has made us adopt important changes in economic matters. We began by taking actions aimed at harmonizing macro-economic policies, which have resulted in commercial agreements that go far beyond the previous achievements.

This particular presidential summit is of great importance in our integration efforts. Guatemala and El Salvador have given us a valuable example by signing an agreement for total free trade, which brings their economies even closer in an integration effort that will have a real positive impact on our population.

As part of the efforts to expedite the harmonization of our commercial policy, the temporary multilateral free trade agreement between Honduras and the rest of the Central American countries should be viewed as one of the most important achievements of this summit, as it marks the beginning of Honduras' total reincorporation into the process. We established clear integrationistic positions, bloc negotiations, and common customs duties, which are tangible achievements of this summit.

The Panamanian Government, for its part, has adopted a great historical decision by formalizing its full entrance

into the Central American system. We are very pleased with President Endara's initiative and we certainly hope that future talks in the appropriate forums will consolidate Panama's economic integration with the rest of Central America in the near future. We praise President Guillermo Endara's clear vision as head of state.

Another important achievement was made in the agricultural sector. The commercialization of agricultural products is the central point in our regional food supply program. Does this mean that our main concern and final objective are strictly economic? No. These achievements are only the means toward our final objective: our peoples' well-being in the broadest sense of the word. It cannot be any other way. The social well-being of Central Americans is and should always be our goal.

Today, the threat of cholera, worsened by the poverty and misery in which a large part of our population lives, confirms the need to conduct joint actions to help our society. Hence, the central topic of our next summit will be the social aspect.

The common denominator of our concerns and work is the determination with which Central Americans want to and will conduct our own destiny, without patronage or tutelage. We want to respond with the utmost responsibility and patriotism to the desire of Central Americans to forge a common destiny. Today, for the first time, all our people have governments elected in free and honest elections. The institutionalization process is in progress. The concept and respect of human rights is stronger and a peaceful atmosphere is present with our peoples' firm rejection of violence, terrorism, and other forms of crime.

Ladies and gentlemen: At this meeting the presidents have had the pleasure of signing a draft trade and investment agreement with the Republic of Venezuela. The signing of this and other documents with President Carlos Andres Perez is a significant step reflecting the spirit that inspires our efforts and reaffirms our friendly ties with that South American nation, which we have always trusted as a rich source of supreme ideals that nourish the great dreams of hemispheric processes for the establishment of a great Latin American nation.

In the same manner, the Central American presidents have felt the force of the great Pan American ideals through the presence of Chilean President Patricio Aylwin, which corroborates the historical commitment of our nations to create on the American Continent a society with common purposes and goals in order to achieve liberty, progress, peace, and independence. We thank the Chilean president for his heartfelt words on the problems affecting his people. We in Central America realize that democracy demands one word: pardon. Pardon is what emerged from the Esquipulas Agreement, when Central American peoples agreed to implement a process of national conciliation and reconciliation and general amnesty.

There is no doubt—you have expressed it and those of us here recognize it—that the sentiment that prevails in your nation and among its people is the desire to become a fully democratic society.

It is our desire to put an end to violence in order to build a brotherly society under the conviction that we are all Central Americans and that Central America requires a real desire and willingness to conduct dialogue and concerted effort among brotherly nations.

We sincerely thank the presidents of Venezuela and Chile for their fraternal presence in our area.

Central American friends: So that the economies of our nations can become authentic instruments for the benefit of our peoples, we need more cooperation and understanding from all sectors. It is necessary to further integrate our markets in accordance with our peoples aspirations and needs. This requires the elimination of obstacles currently interfering with the transit of products, so that this exchange can bring more well-being for our population.

Businessmen from Central America and Panama recently held the first congress of the Central American Economic Community in Tegucigalpa. Latin American and area workers supported the initiative and have sent messages supporting the integration process. This clearly shows that the unity of our peoples is promoted and demanded by all. They have justly interpreted the role they must play in the current and future relations inside and outside the area. They are not afraid. They see a future with broad possibilities of development, progress, and justice.

We must give ourselves the opportunity to secure in our hands the future of Central America. There is no room for postponements. We Central American presidents believe this. We are not afraid.

We must stress that in our opinion, the social factors of Central American integration are extremely important in any economic project to consolidate democratic institutions. Therefore, the presidential summit to be held in Tegucigalpa in December—to which you are all invited—will be a forum for discussions to seek solutions for the social problems affecting us.

President Cristiani, Mrs. Cristiani, Salvadoran people: We thank you for your hospitality, for your leadership in conducting a fruitful meeting that resulted in a renewed Central America with Panama's full incorporation and the adoption of specific solutions for current problems. Above all, Central American friends, we have seen the emergence of integrated efforts toward a future of peace, development, liberty and social justice for Central America. [applause]

## Cuba

### Malmierca To Participate in Guadalajara Summit

*FL1707133691 Havana Radio Rebelde Network in Spanish 1200 GMT 17 Jul 91*

[Text] Isadoro Malmierca will participate today in the Ibero-American Foreign Ministers meeting in Guadalajara.

### U.S. Said Trying To Derail L.A. Summit

*FL1707150891 Havana Radio Rebelde Network in Spanish 1155 GMT 17 Jul 91*

["Our Opinion" Commentary by Orlando Contreras relayed from Guadalajara, Mexico]

[Text] The Ibero-American Summit begins extra-officially within the next few hours when they arrive [rephrases] that is, they are arriving now [rephrases] when the heads of state and government arrive in Guadalajara. As you already know, Venezuelan President Carlos Andres Perez has already arrived here, as well as Argentine President Carlos Saul Menem, and other presidents are awaited over the course of today.

The overwhelming majority of the 26 participants in this unique historical summit have made similar statements on the importance of integration, peace, and the urgent need for action because of the grave social and economic problems that the region is suffering and above all, the need to arrive at a common strategy so that the region does not sink into the abyss that today separates the poor and the rich in the world. Judging by the public statements of the majority of the presidents, there will be no place here for confrontation or the deepening of differences in this hospitable location prepared with great care by the host country, Mexico, but rather for the uniting of plans and political will over the common problems and challenges.

It has been said before, but is worth repeating here, that this is the first meeting of Latin American and Caribbean leaders, with Spain and Portugal participating on an equal basis, without the presence of the United States. Only Bolivar achieved, in a way, this objective in the frustrated international congress [of 1826] in Panama. And it is not coincidental that the United States is trying to minimize this summit, fabricate problems, or provoke contentions. The assistant White House spokesperson, Roman Popadiuk, said 11 days ago that his government hoped that the summit would serve, and these are his words, to pressure the regime in Havana. There are totally credible reports that suggest that officials of the U.S. Embassy in Mexico are involved in provocative efforts employing sinister means.

For Washington, this summit contradicts its vision of a unipolar and hegomonistic world. The only summit that counts is the G-7, the summit of the rich Western powers in London. The truth is that Latin America and the Caribbean cannot live at the edge of the plan even modestly. The real integration is where the rich divide the world.

The United States, with some truly serious economic problems of its own, is creating a new evil empire. This time it is Japan. At least, this is the conclusion of a 174 page report produced by the CIA specialists at the Rochester Technological Institute.

In this summit, notwithstanding its importance, and there is no doubt that this first Ibero-American summit is important, the course of world history will not change radically. But, the common feeling, is that here in Guadalajara some small steps may be taken to formulate a common strategy, over and above whatever else happens, to confront the challenges of today and the next millenium.

### Commentary Discusses Illegal Emigration to U.S.

*FL1707021991 Havana Radio Rebelde Network in Spanish 2300 GMT 16 Jul 91*

[Lazaro Barredo commentary]

[Text] In a truly flamboyant article published in THE WASHINGTON POST, U.S. scholar Gillian Gunn has just characterized as human tragedy the undertaking of Cubans who attempt to illegally leave and cross the Florida Strait. Her dramatic tone in the presentation of the facts—in line with my interpretation—overlooks the obvious realities of the problem by blaming the Cuban Government for this regrettable matter inasmuch as, according to her, those illegal departures could be prevented if, I cite her words, the Cuban Government became more democratic and improved the living conditions on the island.

Her simplistic thesis evidently is added to the erroneous versions that attempt to show to the U.S. public an apocalyptic picture of the Cuban reality, even more when we are at the threshold of the Ibero-American presidential summit in Guadalajara. It would be too repetitious to continue to argue about the democratic factors of our system and the current causes of our difficulties and shortages which include, first and foremost, the terrible pressure the U.S. authorities want to and do exert on the trade capabilities of the island. This is the case especially when that audience in the United States disregards our realities. Those who attempt to appear as well-informed scholars do nothing more than either be extremely subjective or claim a forced ignorance.

My friends, the subject of Cuban emigration throughout these 32 years has been nothing but constant U.S. policy opportunism. Who could possibly avoid the bottom line in the case of Cuba and, at the same time, ignore what is happening with the emigration in the area such as the million of undocumented Mexicans who suffer every year of ridicule under virtual slave conditions? And what

about the thousands of Haitians who make their unfortunate and disastrous journeys to be immediately deported once they arrive on U.S. land? And the tens of millions of Dominicans who cross the Mona Passage to attempt to arrive in Puerto Rico and then try to enter the United States? And the huge number of Nicaraguans and Dominicans who suffer in Costa Rica from the fierce mercantilism to obtain illegal passports that would allow them to enter the superpower territory?

Cuba was never an exception as far as economic emigration to the United States is concerned. Evidence of this is that according to the data of the U.S. Immigration and Naturalization Service, between 1948 and 1957, some 60,000 Cubans settled permanently in the United States. How can it be ignored that since the triumph of the revolution, the United States has given a deferential treatment to the Cuban emigration, especially the illegal one, in an attempt to turn the clandestine exodus and defection into a true political show to discredit the Cuban Government?

The illegal departure of those who split now is nothing new and does not even have the magnitude of the sixties when there were years in which up to 10,000 illegally emigrated to the United States. They were encouraged and favored as no other minority has been. This has been shown in the U.S. Congress where it has been confirmed that between 1963 and 1974 alone the U.S. administrations gave the generous economic aid of $717 million to the Cuban community. This is seven times as much as Bush proposes in his initiative of annual aid for the Americas.

The difference lies in that these illegal departures of today have a very different connotation because of the U. S. repeated lack of compliance with international law. This is shown by the U.S. Immigration Service data. Based on it, I ask myself, how is it possible that between 1981 and 1984—when there was no migration agreement yet between the two countries—some 35,000 people were able to emigrate during those three years? Nevertheless, after the agreements, in which the Americans made the commitment of granting 20,000 exit permits a year —three other years—only 14,000 were granted by them between November 1987 and December 1990. They should have extended over 60,000 in compliance with the agreement.

The revolution has said more than once that the construction of socialism is a voluntary act and will not retain anyone who, blinded by the opulent and consumerist American society, wants to leave and try his luck with the generalized idea that once he gets there he will become a millionaire in no time. Whoever doubts this should know that the revolutionary government has granted so far some 30,000 exit permits to citizens who want to join their relatives there. The U.S. offices are the ones that deny their entrance visas. Who is responsible then for those Cubans who undertake the high-risk venture to cross the Florida Straits?

It is yet to be seen if these experienced scholars have an answer since when they come to Havana they say one thing and when they return to the United States say something else.

### Request for 20-Year Sentence for Infiltrators

*PA1507155491 Havana Radio Havana Cuba in Spanish 1400 GMT 10 Jul 91*

[Report by Marianela Samper—passages within quotation marks recorded]

[Text] A 20-year sentence was requested for citizens Gustavo Rodriguez Sosa and Tomas Ramos Rodriguez for illegally entering the country and perpetrating actions that constitute crimes against Cuban state security. The request was submitted on 9 July during the hearing of case number 10-91 at the people's court in Havana, in which Dr. Teresa Delgado Calvo acted as chairman, Dr. Sara Niebla acted as prosecutor, and Natasha Del Riego and Lidice Gutierrez acted as the defense attorneys.

The sequence of events was outlined as follows: Gustavo Rodriguez and Tomas Ramos illegally entered the country through the town of Santa Cruz in October 1990, riding in a speedboat with U.S. registration numbers and carrying weapons, communications equipment, and counterrevolutionary propaganda. Upon their arrest, they testified that they were definitely interested in returning to the country, where their relatives live.

The evidence and their testimony show that they are linked to the counterrevolutionary organization Cuban Liberation Army, the armed branch of the so-called National Party of Democratic Unity, based in Miami. It was also learned that Tomas Ramos was contacted by CIA agent Frank Fiorini and offered $500,000 to identify the exact location of Cuban state security files. The purpose of this illegal arrival on the island was to create conditions for the future arrival of infiltration groups.

During a meeting with Dr. Sara Niebla, who acted as prosecutor, we asked her to explain the operations that these two citizens were supposed to carry out.

[Niebla] "Their plans were the traditional plans of counterrevolutionary organizations—spread out and encourage opposition within the national territory and create cells to carry out activities against the country's economy and the revolutionary state. There is an interesting aspect—propaganda—that has not been mentioned in detail. The propaganda was intended for the members of the Revolutionary Armed Forces and the Interior Ministry. It is subtle propaganda. I believe that this virulent propaganda against the armed corps stems from the example that we have set for them—meaning that there are no generals or ministers above the law here."

The statements by Rodriguez and Ramos reveal the character of the counterrevolutionary leaders in Miami: The lack of scruples, the ambition for power and money,

the division within those groups, the cowardice, and—a common factor—the hate for the Cuban revolution. Dr. Niebla also described the character of the men who have appeared before this revolutionary court.

[Niebla] "These are men who have little schooling—traditionally the sort of people who become the followers of those living abroad who are a little bit smarter and who want to challenge the Cuban revolution. The latter seek out people like this, bereft of ideology—we are unquestionably dealing with people who have no ideology—who go to that country [the United States] filled with capitalist dreams, but who never quite fit in. So, they become involved with [counterrevolutionary] elements. In fact, they become overwhelmed by them. They join groups of people living abroad who carry out an extremely hostile campaign that, logically, suits U.S. plans with regard to the Cuban revolution. History offers examples of other infiltraters, people who have been sent to the courts of justice."

The events surrounding case 10-91 constitute a crime against state security, which is foreseen in and punished under Articles 124 and 98 of the Cuban Penal Code. The requested sentence, as I said in the beginning, is 20 years in prison and, of course, the accused have the right to appeal to a higher court.

Each trial represents a lesson and this one demonstrates that those who try to illegally cross the island's borders for purposes that are not exactly peaceful will face just retribution.

### Implementation of CDR Changes in Guantanamo Noted

*FL1607220491 Havana Radio Reloj Network in Spanish 1937 GMT 16 Jul 91*

[Text] The process for implementing changes in the structure and substance of the Committee for the Defense of the Revolution [CDR] in Guantanamo has led to a true strengthening of the organization and promoted the debate of its main missions in the present stage.

In the elections of the secretaries of the community-based organizations, over 18,000 CDR members were released from their posts at these levels, while 115 positions were reduced to 81 in the municipalities and the province. The presence of women in leadership positions in the application of the new organization's structure reached 93 percent at the CDR level, 33 percent in zones, and 31 in the municipalities. Also, the CDR members of Guantanamo are taking steps aimed at maximizing a group of tasks that would not affect the effort of the masses in the defense of the revolution.

### Aldana Attends CTC National Secretariat Meeting

*FL1707010091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Jul 91*

[Text] The Cuban Workers Federation's [CTC] National Secretariat meeting ended today after two days of hard work. The main leaders of the workers movement included 12 basic points in their agenda and paid special attention to the congresses of the livestock-agricultural, education, metallurgic, and cultural workers unions to be held in the next few months.

During today's session, Carlos Aldana, secretary of the Communist Party of Cuba Central Committee, explained details and an gave an evaluation of his recent visit to the USSR during which he met with many Soviet leaders, including President Mikhail Gorbachev. Aldana referred to the Guadalajara summit and our country's participation in that important Latin American leaders' meeting. He also discussed matters relating to the national life and peculiarities of the historic moment we are going through. In addition, Aldana responded to questions posed by the union leaders on international and domestic matters.

### Workshop Group To Visit Nuclear Power Plant

*FL1707132891 Havana Radio Rebelde Network in Spanish 1220 GMT 17 Jul 91*

[Text] Approximately 30 Cuban and foreign specialists will participate in the first international workshop for the care of seriously injured victims of disasters. The workshop will be held from 28 October to 1 November in Sancti Spiritus. The analysis of the specialized care of these victims is the main topic of the workshop. The specialists will also discuss disaster forecasting and prevention, global disaster preparedness—particularly in Latin America and Cuba—and the health, legal, and administrative aspects of this field.

Workshop participants will visit the Juragua nuclear power plant to observe its safety measures, and the level of safety it represents for neighboring countries and the Cuban people.

### Gasoline Distributors Guarantee 'Adequate Supply'

*FL1607124891 Havana Tele Rebelde Network in Spanish 1100 GMT 16 Jul 91*

[Text] Gasoline distribution workers have made a commitment to improve the supply of gasoline to the Havana City service stations. Their goal is to guarantee the supply at all stations to gradually eliminate the consumer lines that have occurred over the last few days. Since June, due to some problems, gasoline distribution has diminished at the service stations in Havana City. This caused a shortage of fuel for private and state vehicles.

Service station managers have affirmed that the problem has been solved and fuel is available for a return to normalcy. Over 437,000 liters of gasoline and 135,000 liters of diesel were distributed this week to selected service stations in the capital. There is an adequate supply of gasoline to guarantee projected quota sales.

### Book Institute Signs Accord With Bolivia

*FL1507174391 Havana Radio Progreso Network in Spanish 1625 GMT 15 Jul 91*

[Text] With the aim of carrying out [words indistinct] books between Cuba and Bolivia and distributing Cuban titles in Bolivia, the Cuban Book Institute has signed an agreement with the San Andres Main University and the [name indistinct] publishing house. According to information given by Cuban Book Institute President Pablo Pacheco, a collection of 500 volumes from Cuban publishers has been donated to the Bolivian university. Arrangements are currently being made to organize an exhibit and sale of Bolivian books with the participation of Bolivian writers in Havana in 1992 and a similar event for Cuban books in La Paz.

## Inter-Caribbean Affairs

### Economists Association Opens Conference

*FL1707232091 Bridgetown CANA in English 1930 GMT 17 Jul 91*

[Report by Colin King]

[Text] Santo Domingo, Dominican Republic, July 17, CANA—Trinidad and Tobago-born economist Henry Gill said Tuesday night the Caribbean, facing emerging economic blocs in the world, should seek an improved U.S.-Caribbean Basin Initiative (CBI) instead of trying for any early benefit from the U.S. Enterprise for the Americas Initiative (EAI).

"Essentially, my idea is that CBI become a Lome-type agreement to be negotiated with the U.S., maintaining the non-reciprocal character of the programme for a wider range of products and at the same time include provisions on external financing and debt reduction, technical assistance ...." Gill said. The former joint permanent secretary of the Economic Commission for Latin America (ECLA) delivered the main address to open the third biennial conference of the Association of Caribbean Economists (ACE), being held here until Saturday under the theme, "Caribbean in a World of Blocs." Gill told the more than 100 economists from the English, French, Spanish, and Dutch-speaking Caribbean, and farther afield, that the EAI will be a difficult programme from which to benefit because of the "political and legislative" dependencies the programme faces in the U.S. There is danger that the reciprocity of access to markets required in the outline of the EAI will produce demands for similar reciprocity in the Lome Agreement under which the region enjoys one-way preferential access to European Community markets, and financial and technical assistance, he said. According to Gill, the Caribbean, in jointly addressing Washington in support of a new...CBI programme, could commit itself to liberalising trade in services and to reciprocating, at a later date, with free-market access.

The CBI was unveiled by the former Reagan administration in 1982 to promote economic development in the Caribbean Basin by providing duty-free access to the U.S. for non-traditional regional products. The EAI, proposed last year by the Bush administration, seeks to promote the idea of a Western Hemisphere-wide free trade area.

Gill, ACE President Norman Girvan, and Dominican Republic economist Jacqueline Boin, all urged increased Caribbean economic cooperation in addresses at the opening of the conference, dedicated to the memory of George Beckford, a leading Jamaica-born Caribbean economist who died last year.

Girvan said the challenge of Caribbean cooperation is reflected in the conference agenda, which includes consideration of economic crisis, restructuring, and stagnation; single Europe 1992; the U.S.-Canada free trade area; changes in Eastern Europe; and the meaning of sustainable development for the Caribbean.

"Perhaps the most important challenge of all is how to bring about cooperation in a region which has for so long been divided by geographic, linguistic, ethnic, economic, and political barriers," Girvan said. He urged a sharing of ideas, during the conference and after.

"Together let us all create a fraternity of Caribbean economists which will be a powerful and influential force towards cooperation and integration in the Caribbean, and therefore be a factor in the collective empowerment of the people of our region," he urged.

Boin, president of the Dominican Republic Economists Association, described the Caribbean as a "fragmented and atomised" region of 28 countries or territories, which are better linked with the centres of the metropolitan countries than among themselves.

"The role of (ACE)...is that of contributing to a broadening of knowledge, and creating closer ties among the Caribbean countries, doing away with language and other political and ideological hindrances which hold us apart," she said. The conference can be used to review ideas by Caribbean thinkers for "Caribbean integration and its insertion in the world, with a dignified position of equality...and brotherhood," she said.

Manuel de Jesus Amezquita, representing Dominican Republic President Joaquin Balaguer, said the host country has made continuing efforts to join the Caribbean Community (Caricom), in which it now has observer status, and the African, Caribbean, and Pacific-European Community arrangement, in which it was included for the Lome IV Convention. He said cooperation among regional countries is important, as is access to blocs.

The first plenary session Wednesday morning featured an overview of Caribbean economic performance by ECLA's regional economic adviser Trevor Harker, in which he concluded that economic adjustment, while

necessary, is not sufficient by itself to move economies onto paths of self-sustained growth.

Seven case studies of Caribbean countries are also before the participants, covering Barbados, Dominica, Cuba, Guyana, Guadeloupe, Martinique, and St. Lucia. The agenda includes a guest lecture, Wednesday evening, by Trinidadian economist Lloyd Best, on the contribution of George Beckford, who was affectionately known by colleagues as "G. Beck."

Thursday's session will begin the main consideration of international economic relations, including presentations on integration and trade and a special session on relations between Haiti and the Dominican Republic, the two Republics which share the island of Hispaniola.

## Barbados

### Economist Comments on 'Emerging Debt Crisis'

*FL1807000491 Bridgetown CANA in English 2111 GMT 17 Jul 91*

[Report by Colin King]

[Text] Santo Domingo, Dominican Republic, July 17, CANA—A balance-of-payments crisis facing Barbados is attributable to weak economic management, Barbadian economist Michael Howard said Wednesday. "It is a balance-of-payments problem induced mainly by a management failure," he told the third conference of the Association of Caribbean Economists (ACE) here. The economist, later supported by Barbadian colleague Bernard Codrington, identified expansionary fiscal policy, increased government reliance on foreign borrowing, and money creation as causes of the current situation. "The deficit has been the cause of the balance-of-payments crisis ...The policies also created what I call an emerging debt crisis," he added, pointing to an increase in the ratio of the country's debt-service payments to domestic exports and tourism earnings from 3.8 percent in 1981 to a provisional 26.4 percent in 1990.

Howard added that poor performance in the sugar and tourism industries and the manufacturing sector provided strong ground for fears in the country that the devaluation of the Barbados dollar could be suggested by the International Monetary Fund (IMF) in continuing talks with the government. Howard said that with manufacturing in Barbados having a disadvantage of small market size, and sugar in a weak state, the country must continue to rely on tourism over the next decade while designing policies to improve agriculture and manufacturing through the grant of appropriate tax incentives.

Codrington, while disputing the usefulness of a currency devaluation for Barbados, agreed that "management" is the problem. Barbados as the island has not been "sticking to the basics." He said the island survived the 1973-74 oil crisis by maintaining tight spending, and again in 1981, when sugar revenues improved at the right time. He, however, charged the public and private sectors and labour movement with a lack of understanding of the need to "adjust and adapt" to current economic changes. "We seem to be using old political and economic models, there is still this adversary relationship between capital and labour ... The name of the game should be competitiveness, and what we need is government, capital, and labour to work together."

Codrington suggested there is still an atmosphere in which workers see a need to be militant for a bigger "slice of the cake. What we have is a national ice cream and it is beginning to melt before our very eyes and we're not even seeing it," he said.

## Dominican Republic

### Morales Assumes Power During Balaguer Absence

*FL1707171991 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 17 Jul 91*

[Report by Viviano de Leon]

[Text] President of the Republic Dr. Joaquin Balaguer has issued Decree 268-91, through which he puts Vice President Carlos Morales Troncoso at the head of the executive branch for as long as the president is absent in Guadalajara, Mexico. The decree reads as follows:

Article 1: Vice President Carlos Morales Troncoso will perform the duties of president beginning today for as long as President of the Republic Dr. Joaquin Balaguer is out of the country.

President Balaguer departed this morning for Guadalajara, Mexico, at about 1100. He was accompanied by, among others, [name indistinct], the chief of the corps of military aides; Secretary of Industry and Trade Rafael Bello Andino; Anibal Paez, his personal assistant; Dr. Clarence Charles Dunlop, the executive branch medical advisor; and Camilo Antonio Nasir Tejada, a military advisor. The president traveled in a private Grumann-2 plane.

We repeat that President of the Republic Dr. Joaquin Balaguer has put Vice President Carlos Morales Troncoso at the head of the executive branch for as long as the president is absent in Guadalajara, Mexico, where he is to participate in the summit of Ibero-American presidents. It has been reported that the president will give the closing speech at the summit.

### Repatriation, Departure of Haitians Continues

*FL1707171691 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 17 Jul 91*

[Text] Haitians living in various towns and cities in this country have continued to cross the border from the Dominican Republic to their nation. Hundreds of them

have continued to arrive at the Haitian Embassy in Santo Domingo seeking help in leaving this country. Meanwhile, the authorities have slowly continued to arrest and repatriate Haitians. A considerable number of these Haitians are leaving the Dominican Republic of their own free will. Since the beginning of June, the government has been undertaking a process of repatriation through which fewer than 100 Haitians have been deported per day.

## Grenada

### Legal Affairs, Prison Deny Hanging in 21 Days

*FL1707015591 Bridgetown CANA in English 2321 GMT 16 Jul 91*

[Text] St. George's, Grenada, July 16—Officials of Grenada's Legal Affairs Department and the island's Richmond Hill Prison have denied reports that hanging would be resumed in 21 days so as to carry out the executions of 14 people sentenced to death for the 1983 murder of Prime Minister Maurice Bishop and 10 other people.

Newly appointed Commissioner of Prisons Winston Courtney said it is a decision for the Legal Affairs Department, not the prisons, to deal with. In dealing with the issue, Prime Minister Nicholas Brathwaite, who is minister for National Security, spent the weekend in Carriacou, he said, to look for inspiration on whether the 14 should be hanged.

Courtney said there was no rush to a decision on the issue and noted that there were a number of other prisoners who had been on death row for several years now. He said since the decision was handed down by the Court of Appeal last Friday, he has received calls from several international human rights organisations, including Amnesty International, asking that the sentences be not carried out.

Former attorney general in Bishop's People's Revolutionary Government (PRG), Lloyd Noel, who had split with the regime, says he does not expect any warrants of execution to be issued in the near future.

"I have no doubt about that. In fact, that is going to be a big deal for this government, bearing in mind that we have about 15 or more persons on death row before these guys, or since they have been condemned," Noel said. According to Noel, if there were a rush to execute the 14 ahead of those on death row before them, it would be "highly discriminatory."

Grenada's last hanging was in 1977 when four men were hanged for their part in a rape and murder of a young woman.

## Haiti

### Navy Major Arrested for Plot Against Government

*FL1807001391 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 17 Jul 91*

[Text] The arrest of Major Wilner Louis of the Haitian Navy adds to the growing number of arrests made since the weekend. The arrests result from the investigation of a plot to destabilize the government. At the beginning of the week, the prime minister acknowledged these arrests and the discoveries of weapons by the police. Until now, details on the situation were drawn only from rumor. The government has decided not to disclose everything.

### Police Arrest 31 for Plot

*FL1707182391 Port-au-Prince Tele-Haiti in French 1130 GMT 17 Jul 91*

[Text] This morning, police sources confirmed the arrests of 31 persons, instead of the 16 which we reported yesterday, and the discovery of a warehouse containing homemade weapons. Police sources told us that further arrests are planned. When we contacted Eliot Arnault, a deputy in the prosecutor's office, he told us that he does not know about these arrests. The Ministry of Information also remained silent on this matter.

### Repatriates Refuse To Leave; Demand Shelter

*FL1707222291 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 17 Jul 91*

[Excerpt] The crisis continues between Haiti and the Dominican Republic. Balaguer has already deported 2,000 compatriots. Another 10,000 voluntarily returned to the country. The crisis committee formed to deal with this situation met on 15 July with 100 members of society-at-large to discuss the matter. They arrived at a number of conclusions. However, before we discuss these conclusions, it is important to understand that the situation of the Haitians, who have been taken to Bon Repos remains complicated, for both the deportees and those who voluntarily returned from the Dominican Republic. It appears that officials are trying to convince these Haitians to leave the premises and to look for their parents and relatives in the country. However, it seems that these braceros do not wish to move until, as they say, the government assumes its responsibilities toward them. The repatriates say they do not care about the food and clothing being given to them, and that if the officials hope to dislodge them from the Bon Repos center, they should provide them with another place to live. Then, they would have courage and work. Also, they could manage to provide their families with food. [passage omitted]

## Peasants Petition Parliament on Land Conflict

*FL1707205491 Port-au-Prince Radio Metropole in French 1600 GMT 16 Jul 91*

[Excerpts] Yesterday about 300 peasants demonstrated in front of the Legislative Palace to demand the intervention of parliament in the Artibonite land conflicts. Senator Dupiton was asked by a member of a peasant delegation to express the demonstrators' grievances. Jean-Max Siprien provides further details:

[Begin Siprien recording] The land conflict in the Artibonite is far from being solved, despite the recent vague stab at peace made by a governmental team sent to the heart of the crisis. The arrest of individuals involved in peasant slaughters and their appearance in court was the categorical imperative of a demonstration on 16 July in which some 300 Artibonite peasants gathered in front of the Legislative Palace. The peace process initiated by the governmental delegation is far from unimportant, said the demonstrators. They pointed out that such an effort may be ineffectual, however, if the judicial aspect is ignored. [passage omitted]

The Artibonite peasants' demand for justice has already been the subject of several recommendations by the Senate to the Justice Ministry. According to Artibonite's Senator Dupiton, a report by the senatorial commission, of which he was a part on this case, has already been presented to the High Chamber. After considering the results of the commission's investigation, the executive branch is expected to submit a statement of position to the legislative corps, determining the official decision.

Senator Dupiton outlined the sociological realities from which this crisis originated, and assimilated the consequences to the zone. [passage omitted] Clearly, Senator Dupiton, who received the Artibonite demonstrators on Monday, feels discharged of any duty toward the Senate. A member of the investigation commission formed by the High Chamber that Senator Dupiton is calling for the executive branch's intervention in the Artibonite conflict because, he concluded, the desire for justice is a law of nature. [end recording]

## Senator Delpe Asks for New Ministerial Cabinet

*FL1707194691 Port-au-Prince Radio Metropole in French 1600 GMT 16 Jul 91*

[Text] The newspaper LE NOUVELISTE reports that Senator Turneb Delpe, secretary general of the National Democratic and Progressive Party of Haiti [PNDPH], is pleading for a new ministerial cabinet. It is necessary to change the ministerial cabinet, including the prime minister, stated Dr. Delpe. According to Dr. Turneb Delpe, only parliamentarians can dismiss a prime minister. I speak not as a senator, but on behalf of PNDPH, he added. In response to a question from journalists, Senator Delpe pointed out that he did not recognize any lavalas organization; he recognizes the existence of only the National Front for Democracy and Change and PNDPH.

## Partisans Imprisoned; Government Deputies Protest

*FL1807010491 Port-au-Prince Radio Nationale in Creole 1300 GMT 17 Jul 91*

[Text] On 15 July in the Lower Chamber, the debate focused on the arrest of Mobilization for Nztional Development [MDN] partisans in Petit-Goave. According to the deputies, this affair has developed a sudden twist with the transfer of the prisoners to the National Penitenciary.

Despite the government prosecutor's order to release these men, the military authorities kept them in custody under the pretext that the order came from the president of the Republic. Citing Article 136 of the Constitution, the deputies have decided to write an open letter to the president of the Republic. Many of these deputies are also considering appealing to the justice minister for an explanation of this behavior.

Deputy Jean Louis Fignole criticized MDN leaders for their latest statement, a statement which he believes can destabilize the current government and spread unrest in the country. Deputy Fignole alleges that the prisoners had participated in the of 29 November 1987 election day massacre, as well as the aborted coup of Roger Lafontant in January. Many of his colleagues feel that his thoughts do not match reality, and are not in keeping with the work the commission has to do. This position is embraced almost unanimously.

In the Upper Chamber of the Senate, the Foreign Affairs Commission received the new ambassadors, Messrs. Emmanuel Ambroise, Jean Casimir, and Jean-Robert Sabalat, but no decision was made. The senators also voted on Articles 12, 13, 14, and 15 of the law on territorial communities concerning the communal sections [as heard].

## Government Remains Silent on IMF Conditions

*FL1807004491 Port-au-Prince Radio Soleil Network Creole 1100 GMT 17 Jul 91*

[Text] What is behind the series of agreements Haiti has signed with the international community? The government has still not given details on this subject. It has spoken of the success it achieved in the negotiations, but it has not yet said under what conditions Haiti will receive these funds.

The news came at the beginning of the week that only after Haiti agreed to accept the bitter and barely acceptable conditions of the International Monetary Fund, had the developed countries agreed to help Haiti. The government has not yet responded to these revelations.

Minister of Planning Renaud Bernardin will meet with the press this morning, probably to provide an explanation of the conditions under which Haiti will receive $442 million, to be dispensed beginning at the end this year, through the end of 1992.

## Trinidad and Tobago

### Education Agreement Signed With Venezuela

*FL1507143991 Bridgetown CANA in English 2304 GMT 14 Jul 91*

[Text] Port-of-Spain, Trinidad, July 14, CANA—Trinidad and Tobago's National Institute of Higher Education, Research, Science and Technology (NIHERST) and Venezuela's Universidad Nacional Abierta (National Open University) have signed an agreement to promote research work. At the signing ceremony here Friday, NIHERST Chairman Clive Pantin said the agreement will also permit the exchange of teaching and technical personnel between the two institutions.

The agreement, he said, was signed taking into consideration two factors. The first was the importance of bilateral co-operation in the areas of higher education, scientific research, and cultural dissemination among university level institutions. The second was the proximity of the two countries and the subsequent significance of cultural relations between them.

The five-year agreement will allow the two institutions to exchange cultural and scientific information, and to cooperate in the planning, production, and delivery of courses. The agreement also mandated the two institutions to make joint efforts to promote a better appreciation of each of the two countries, which lie seven miles away from the closest point, with a view to promoting co- operation and friendship.

### Venezuela Treaty To Restructure Maritime Limits

*FL1707003191 Bridgetown CANA in English 2024 GMT 16 Jul 91*

[Text] Port-of-Spain, Trinidad, July 16, CANA—The governments of Trinidad and Tobago and Venezuela will ratify a treaty on the delimitation of marine and submarine areas next Tuesday.

A release from the Trinidad and Tobago Foreign Ministry said the cabinet agreed that both governments should exchange instruments of ratification to bring the 1990 treaty into force. The treaty will automatically repeal the 1942 Gulf of Paria Treaty which divided only the submarine areas of the Gulf of Paria and adjacent areas between Trinidad and Tobago and Venezuela. The treaty also establishes the maritime limits between Trinidad and Tobago and Venezuela with respect to their respective territorial sea, exclusive economic zone, and their continental shelves located beyond 200 nautical miles.

Venezuela's External Minister Dr. Armando Duran is expected here to exchange appropriate notes, the release said.

### Group Appeals to Grenadians To Commute Sentences

*FL1707172891 Bridgetown CANA in English 1654 GMT 17 Jul 91*

[Text] Port-of-Spain, Trinidad, July 17, CANA—A Trinidadian anti-death penalty group is pleading with Grenadian authorities to commute to life imprisonment the death sentences of the 14 persons convicted of murdering former Prime Minister Maurice Bishop. In letters to Governor-General Sir Paul Scoon and Prime Minister Nicholas Brathwaite, the Trinidad and Tobago National Committee for the Abolition of the Death Penalty asked the Grenada authorities to consider the impact the hangings would have on the society.

"There will hardly be a Grenadian who will not be touched by this resurgence of blood-letting," said one of the letters which were released to the press here. It continued: "Such a condoned slaughter can only leave a very dark cloud of barbaric vengeance and degradation over a beautiful country and dignified people who have hardly recovered from the original 1983 carnage."

The Grenada Court of Appeal last Friday confirmed the death sentences of 14 former officials including ex-Deputy Prime Minister Bernard Coard and Army Chief Hudson Austin for the 1983 machine gun execution of Bishop and half of his cabinet. Lengthy jail sentences were confirmed on three former soldiers for carrying out the killings which occurred in a palace coup climaxing a power struggle between moderate and radical wings of the then ruling Marxist New Jewel Movement (NJM).

The committee said Trinidad and Tobago too might find itself in a similar situation to Grenada, alluding to the 114 men facing treason, murder, and other criminal charges arising out of last year's coup attempt in which two dozen people were killed.

"...In our case, it will be ten times as great in numbers and effect, ten times as long to come to finality, ten times more expensive, and of course ten times more traumatic to the national psyche," a letter said.

## El Salvador

### Nicaraguan Army Said Still Sending Weapons

*PA1707215591 San Salvador Canal Seis Television in Spanish 0200 GMT 17 Jul 91*

[Text] Salvadoran Defense Minister General Rene Emilio Ponce disclosed today that the Armed Forces has sufficient proof that the Nicaraguan Armed Forces are shipping missiles to the Farabundo Marti National Liberation Front [FMLN] guerrillas.

Ponce stated that the missiles returned by the FMLN to the Nicaraguan Government during the last months, clearly establishes that this type of weapon is still being provided.

[Begin Ponce recording] The first clear proof of this was the missiles returned by the FMLN to the Sandinist People's Army [EPS] last December. They continue to have sophisticated weapons such as the SA-14 and SA-16, which in the Central American area is only owned by the EPS or in the hands of Cuba. Logic and intelligence indicate that it comes from one of these two countries. [end recording]

However, Gen. Ponce refrained from implicating the Nicaraguan Government in the sending of missiles, but he did say that some members of the EPS are directly involved.

[Begin recording] I honestly believe that the Nicaraguan Government has nothing to do with this open support to the FMLN. However, there are certain elements in the EPS who have publicly stated that they continue to morally, politically, and strategically support the FMLN. This was clearly seen last March during the foreign relations minister's meeting in Managua where the FMLN organized an event where some Nicaraguan Government officials also participated. [end recording]

EPS Colonel Luis Carrion rejected on 16 July that members of the Armed Forces are sending missiles or any type of weapons to the FMLN.

### FMLN Calls Disarmament Call 'Unrealistic'

*PA1807135291 San Salvador Radio Cadena YSKL in Spanish 1213 GMT 18 Jul 91*

[Text] The Salvadoran guerrillas have described the decison of the Central American presidents to request their disarmament and demobilization as unrealistic, viewing it as a slap at the UN mediation efforts. Our armed actions will still be necessary, said Radio Farabundo Marti, one of the rebels' clandestine radio stations, in a commentary on the Central American summit in El Salvador, which began on 15 July and concluded on 17 July with approximately 40 mostly economic and integration-oriented agreements.

In the final declaration of the meeting, Presidents Rafael Calderon of Costa Rica, Jorge Serrano of Guatemala, Violeta Chamorro of Nicaragua, Guillermo Endara of Panama, and Rafael Callejas of Honduras reiterated their support for Salvadoran President Alfredo Cristiani's efforts to pacify the country. They also demanded that the FMLN [Farabundo Marti National Liberation Front] disarm and demobilize, and that it join civilian life within a legal framework.

The guerrilla radio station announced a few hours before the presidents' petition was revealed that in the case of El Salvador, which is a permanent part of the Central American region, the meeting's final declaration is unrealistic.

The presidents' demands, the station added, are a disrespectful slap at the mediation efforts of UN Secretary General Javier Perez de Cuellar and the nations that comprise his group of friends—Mexico, Venezuela, Colombia, and Spain—who are contributing to the Salvadorans' reconciliation. Therefore, the station pointed out, the presidents' demands will not contribute toward the prompt conclusion of the armed conflict in our country.

According to Radio Farabundo Marti, by failing to condemn the violence and repression that has been institutionalized in El Salvador, and by demanding that the FMLN disarm and demobilize unilaterally, the Central American presidents are backing a militaristic regime that tramples on civilian society. The station added that the Central American presidents who have just held their 10th summit support sectors that are opposed to the negotiations.

For over a year the Salvadoran Government and FMLN have been holding talks mediated by the United Nations, with a view toward ending 11 years of war that have claimed over 75,000 lives. Armed action, the station said, will still be necessary in El Salvador as long as the regime refuses to sign an agreement that will widely benefit the nation and the region, as well as purge the Army and end its legal impunity.

Since there has been no resolute support for the UN-mediated negotiations, the Salvadoran people, the radio station added, are ratifying their decision to continue the struggle for genuine democracy and integration, based on the achievement of justice and national dignity.

## Nicaragua

### FSLN's Carrion Explains Party Congress Plans

*PA1807050091 Managua LA PRENSA in Spanish 16 Jul 91 pp 1, 13*

[Article by Felix Navarrete]

[Text] Luis Carrion, coordinator of the FSLN [Sandinist National Liberation Front] congress, today ruled out there will be a substantial change in the Sandinist directorate members and forecast that the 581 delegates to the party congress will vote "in a rational manner and

with a sense of responsibility," which confirms the plan is to show obedience to Sandinism.

However, he admitted that the current Sandinist leadership will have to follow the decisions of the congress. Slates containing seven to 11 candidates will be prepared for proposing and electing new members of the directorate. He insisted, however, that he does not believe any slate will defeat the current National Directorate.

When asked by reporters, Carrion admitted the political working document that the congress will discuss is behind schedule. He ruled out they will discuss in the congress delicate issues of the FSLN, such as the Sandinist give-away and caudillismo, because—he said—"we are interested in the unity of the party and in looking ahead to the future."

The Sandinist leader reported that the delegates will cast secret votes to elect the new authorities, as they did in the 1990 elections, and it will be up to each Sandinist to decide for which list of candidates he wants to vote for in the Sandinist leadership.

When asked about the proposal that many departmental delegates have made supporting the nomination of General Humberto Ortega as a member of the Sandinist leadership, Carrion clarified that according to the Transition Protocol, if Ortega accepts the nomination, he will have to resign his post as chief of the Army.

The Sandinist leader disclosed that they will symbolically accept Humberto Ortega's nomination with the purpose of supporting him in his work as chief of the Army through the election of the Sandinist delegates. [sentence as published]

Carrion, who was alone at the FSLN secretarial offices, announced that the preparation of the congress will cost $350,000 that have been provided by the European solidarity organiations and by the FSLN militants who have made their economic contributions for the event.

The Sandinist leader disclosed that Carlos Tunnermann, a Sandinist militant and former Nicaraguan ambassador to the United States, was not elected delegate to the congress, but he was invited by the FSLN to attend as an observer. He will be allowed to speak, but not to vote. It was learned that the same happened to Sandinist critic Rafael Solis.

When asked about an attitude of self-criticism within the FSLN as a defeated party, Carrion said that they have not had enough time to discuss these issues, inasmuch as the political situation of the country has been the priority topic.

Foreign newsmen who attended the conference feel that Carrion's statements are "not very optimistic" about some changes that could be expected in the party, except for the fact that this is the most expensive political congress held in Nicaragua.

## 'Recontras' Attack Wiwili Police Station

*PA1607153191 Managua BARRICADA in Spanish 15 Jul 91 pp 1, 12*

[Article by Juan Ramon Huerta]

[Text] Jinotega—About 35 armed individuals occupied the police garrison at Wiwili for an hour, and later kidnapped Eliodoro Splinger Varela, who was in charge of the garrison. No casualties were mentioned in the initial military reports.

The armed rebels opened fire on the police garrison while Splinger was meeting with a group of UNO [National Opposition Union] activists in Wiwili, on the other side of town, in Region 1. [location as published] During the attack, the recontras [former contras who have again taken up arms] used rifles and other weapons such as RPG-7 rockets.

Government Minister Carlos Hurtado officially confirmed the attack. According to his reports, the Wiwili police chief was wounded while another policeman was kidnapped. Other reports identify the kidnapped man as Alberto Garcia.

Yesterday, the Army and the police took control of the situation after the group—led by a former contra called "Guapote"—retreated into nearby Palo Prieto.

Following the attack, the rebels sent a civilian commission to explain several political proposals, including the immediate withdrawal of the National Police, which was rejected by the authorities. The alleged leader of the group, "Guapote," has a criminal record.

During a recent encounter between the armed rebels and the government at La Pita, one of the town's delegates demanded that the "negotiators" propose the withdrawal of the National Police from Wiwili, because the general plan was to put an end to everything that represented Sandinism in those areas.

The Sandinist Front won the elections in that area, and—apparently—up until yesterday there were good relations with nearly 500 former contras who live there.

People linked to the Sandinist Front in the area denounced the existence of a group of UNO instigators who, in the midst of yesterday's shooting, were calling on people to disobey the formal authorities, thus creating an atmosphere of violence that could have led to the mass murder of Sandinist followers.

Among the main instigators were Concepcion Altamirano, the wife of a former contra known as "Abel;" Rosa Argentina Cardenas Castro, a professor and UNO leader; Enrique Lagos, Diego Castellon, Mario Rivera, and Arnulfo Vilchez. They are held responsible for any action against the Sandinists in Wiwili.

The Jinotega Sandinist leaders have repeatedly pointed out that the rearming of some contras jeopardizes the

lives of Sandinist Front members. At least two members of the Sandinist Front have been murdered every week by these armed individuals.

In Jinotega, there is such a lack of security that the Sandinists in the area avoid going out at night in the city. The same happens in communities such as Yali, San Rafael del Norte, and La Concordia.

*** Sandinist Giveaway of Property Criticized**

*** Remedies Suggested**

*91CA0176A Managua LA PRENSA in Spanish 15 Jun 91 p 4*

[Commentary by Moises Hassan]

[Text] The elite leadership of the Sandinist Front resolved in an ingenious—although not original—way the inevitable conflict which arose between its apparently uncontrollable desire to enjoy a life of luxury and opulence and its political need to perpetuate a carefully cultivated fiction, according to which the motivation which guided them was a revolutionary search for the welfare of the impoverished, exploited, and oppressed majority of the people, leaving aside any attachment to material goods. The formula used was simple: not to own anything—with the exception of some property and bank accounts abroad—and to use and abuse liberally all of the goods and resources of the state. The only weakness of this formula was that for it to have any validity it was necessary to hold absolute power. At the time that the Sandinist Front assumed power this objective did not bother anyone, as they believed that they would control the government forever. Then came the unexpected catastrophe of February 1990. With it came an inevitable need to find a life raft to which the survivors of the new shipwreck could cling. Under these circumstances Decrees 85 and 86 were issued.

Clearly, it was necessary to find a means of protecting and bringing into a safe port the survivors of the catastrophe. What better solution was there than to ensure that these same unfortunate people who longed for a piece of ground in the city would have a miserable shack or a parcel of land to cultivate?

Then came the legalizations—which previously had been postponed for such a long time—of small parcels of urban and rural property in the hands of thousands of poor villagers in the countryside and in the city. In this way, after a characteristic manipulation of the situation and in exchange for crumbs from the sumptuous feast, these people were to be turned into resolute defenders of the most scandalous and deceitful theft of property recorded in history which was not carried out by foreign occupation forces.

As a consequence of the above, the government is encountering conflicts which cannot be avoided much longer. These conflicts involve not only those who created disputes between different persons for the possession of the same property but above all those who ignore the contradiction between the frequently proclaimed desire to establish a state based on law, and proposals to legitimize brutal violations of the laws and elementary public and private rights. And the proposals that these violations should be legitimized come at the precise time when an effort is being made to create solid and durable foundations for the structure of a state based on law. No less controversial is the question whether it is possible to undertake such a moral and civic reconstruction of Nicaragua with means which are unquestionably immoral—however ridiculous these concepts may appear to some people.

The cynical solution which a small minority proposes—which is exclusively interested in preserving its substantial booty—consists of "wiping the slate clean" and starting all over again. This solution would have the additional "advantage" of demonstrating that we Nicaraguans are not "bent on revenge" and that it would encourage reconciliation, a peculiar kind of reconciliation. It is clear that for the immense majority of the Nicaraguan people—who are more intelligent than this small minority is willing to concede—such a proposed solution can only cause astonishment, repudiation, and concern. It is not possible to hide the brutal impact of such a solution—over the short, medium, and long term—on the most elementary standards of justice, morality, and social coexistence.

Neither is it possible to deny that the desperate demagogy of the Sandinist Front marginally benefited thousands of impoverished urban or rural residents, many of whom understandably fear that, once the laws protecting the piece of land which they obtained disappear, they would be subject to the will of the powerful few. Under these circumstances it is not difficult for experienced and unscrupulous manipulators to play for the thousandth time on demagogy in exploiting the misery of the Nicaraguan people. Therefore, I do not consider that it would be appropriate to cancel completely the well-known Decrees 85 and 86. Rather, I believe that we should try to reform them.

One of the fundamental points of such a reform should be to guarantee humble urban residents possession of their land, and those who really benefitted from agrarian reform their small farms. In both cases proper compensation should be given to those who prove that they were the legitimate, previous owners. The members of the Sandinist Front leadership who, with the protection of state power, seized large mansions, luxurious summer homes, or expensive automobiles, or became brand new businessmen from one day to the next, should have the option of paying for the stolen property, in cash, in foreign exchange, and according to the real market value of the stolen goods. Obviously, this solution should apply if the legitimate owner—in case this involves a private

citizen—agrees to sell. Otherwise, the immediate restitution, in good condition, of the property or properties seized should be provided for by law.

Furthermore, regarding those who, because they were minor officials, poor relatives, or simply friends of the Sandinist Front, were "allocated" some property of medium or small value, it would be appropriate, if the property involved belonged to the state, to be sold to them, with repayment over a period of time, in Nicaraguan currency, and at the market value. If the property in question belonged to private citizens, it would be up to the legitimate owner to negotiate its sale or rental or to demand the prompt return of their property in good condition. In this context the remission of payments on the balances remaining to be paid in the housing estates of the Housing Bank [Banco de la Vivienda] should be respected. Two additional standards should be:

(1) None of the present, illegal occupiers of real property would be able under any circumstances to take possession of more than one piece of property.
(2) Not a single square inch of farm land should be granted in any way to people who are not peasants and who have never known what it is to shed a single drop of sweat on a furrow of land but who want to become a new kind of large landholder.

Finally, the principal officials of the Sandinist Front government, from a certain level upwards, should reveal all of the property which they possess. Those who cannot explain satisfactorily how they acquired it—and it would not be satisfactory to say, for example, that "we deserve the property due to our sacrifices"—should be tried, sentenced in accordance with the laws, and pardoned immediately afterwards.

I think that if suggestions like those set forth above are followed, we will succeed in combining the maximum amount of justice and decency—essential bases for the establishment of a state of laws and morality—with the minimum amount of social instability. In this way also the survivors of the Sandinist Front shipwreck would discover that they have to make it to shore by swimming and not by standing on the shoulders of the most miserable Nicaraguans, as has been their tragic custom.

## * D. Ortega Scored

*91CA0176B Managua LA PRENSA in Spanish 15 Jun 91 p 4*

[Commentary by Justino Rodriguez]

[Text] When Daniel Ortega Saavedra and Rosario Murillo, his wife, visited Viet Nam, Rosario stated publicly in the great city of Los Angeles, California, in the United States, that one of the things which had particularly impressed her husband was specifically the humble and very poor house where the late Ho Chi Minh, a communist and one of his idols, lived. He was so surprised by the poverty of the house that Ortega said to his wife with much emotion: "That is how the true revolutionaries should live, humbly and without luxury."

On this subject I ask myself: have the times changed and does comfort have its attractions? To this question I answer "yes." However, we acquire those comforts when we are honest in our work and prepare an adequate, economic plan. And if, based on this simple plan we acquire property, we have the sacred right of enjoying as much as we acquire.

It filled me with sadness, and I felt sorry for Daniel Ortega, when he was interviewed recently and, in an uncertain and visibly awkward tone, stated that the house in which he lives suited him because he shamelessly said that it was a symbol of the "redistribution of wealth and power brought by the revolution." Nothing could be sillier than such a statement, because that wealth was only distributed to a few persons, while the people, the real people, continue to be sunk in the grime of misery which the Sandinists undertook to promote with a government which was an enemy of liberty and work.

To permit oneself the luxury of living in a millionaire's house, you have to work hard and not treat possessions as a nonexistent symbol, because that symbol has a name in Nicaraguan criminal law, which is theft of property by force, not to speak of houses.

No one in Nicaragua has any doubt that the house where Ortega lives is the legitimate property of the wife of Jaime Morales Carazo, a prominent businessman, whose work and sacrifices gave her the right to enjoy her property, as was stated by Mexican Ambassador Ricardo Galan. Consequently, it is obvious that Daniel Ortega's action in taking possession of the house is known to the international community. I wish to recall that the only purpose of Ambassador Galan in saying this was to help his fellow citizen, since the owner of the house which was taken from her by Ortega was born in Mexico.

At the personal level I consider this a solemn act of theft. I say this solemnly because the Ortega government filled the books of the Public Property Registry with false and meaningless statements solely to serve its own personal interests, and ultimately, Ortega's worthy followers. In no other country can we see so much scorn and shameless disrespect for justice. There is not a single, previous example of all of this in the history of law. As a result justice itself at times seems to be defenseless against so bold an enemy.

We should not forget that discretion and good sense are the sources of honor, and political injustices are very expensive over the long run. However, it would seem that Ortega is amusing himself by staining the reputation of others, distorting the truth, and destroying the life of a people who want to work and be prosperous.

## Argentina

### President Menem Departs for Guadalajara Summit

*PY1707160291 Buenos Aires TELAM in Spanish 0932 GMT 17 Jul 91*

[Excerpts] Buenos Aires, 17 Jul (TELAM)—President Carlos Menem left early this morning for Mexico, where he will attend the first Latin American presidential summit that will begin tomorrow in the city of Guadalajara.

Menem will arrive today at 1000 (Argentine time) [1300 GMT] in Guadalajara on board the TC-01 plane. He is accompanied by Foreign Minister Guido di Tella; Brigadier Jose Julia, Air Force chief of staff; Brigadier Andres Antonietti, chief of the military household of the presidency; and Hugo Anzoarreguy, National Intelligence Center secretary.

Before departing, Menem spoke to journalists at the Ezeiza International airport. He said, among other things that "no strike will harm or complicate the situation in Argentina," alluding to the 24 hour strike to be staged by the Metalworkers Union next week. [passage omitted]

Commenting on the first Latin American presidential summit which will begin tomorrow in the Mexican city of Guadalajara, Menem said: "All Latin American presidents will have the opportunity to discuss their problems and seek ways to achieve a closer approach."

He said: "I will meet with the presidents of countries like Brazil, Uruguay, Paraguay, and Argentina within the framework of the Common Market of the South [Mercosur], seeking to strengthen the policies that we have promoted and to pave the way for the consolidation of this integration process which is scheduled to begin on 31 December 1994."

He added that "at the request of Bolivian President Jaime Paz Zamora, we could talk with Brazilian President Fernando Collor de Mello on the possibility that Argentina and Bolivia could supply gas to Brazil." We will also "analyze the possibility of Bolivia joining Mercosur," over which, he said, "Argentina has no objection."

Menem also announced that on 18 July, he and the Brazilian president "will sign an agreement on the need to continue the denuclearization process between the two countries."

### Millions Lost Annually From Deficient Harvesting

*PY1707222291 Buenos Aires BUENOS AIRES HERALD in English 17 Jul 91 p 6*

[Text] According to a study carried out by the National Institute of Farming and Animal Technology (INTA), some 500 million dollars are lost annually in Argentina through deficient harvesting.

In terms of actual values, this is a figure equivalent to 4 million tons of wheat, about 70 percent of the country's annual exports.

The level of loss—grain that remains in the fields after harvesting—varies according to the different crops. Rice, at seven percent, is at the low end of the scale. Peanut, at 26.5 percent, has the highest loss.

INTA's PROPECO [expansion unknown] project for increasing harvesting efficiency, which started up 16 months ago, has involved so far 135 day-long updating sessions on harvesting technology and on methods of detection and measurement of harvest losses.

A series of factors, easy to correct, cause these harvest losses. Amongst them are high weed presence, inadequate crop rotation, scarce use of anticipated harvesting methods through artificial grain drying, high cost of the drying, ignorance of practical ways and means of measuring grain losses, poor maintenance of harvesting equipment and advanced age of harvesters generally. (The average age of a harvester in Argentina is 13.5 years, which is equivalent to a minimum of 5,000 working hours; in more developed countries the maximum working life is 2,000 hours.)

According to the PROPECO study, over 50 percent of total losses can be attributed to problems of equipment. The grain-harvester ratio is unfavorable, an aggravating factor since it is considered that sales of new harvesters will fall short in ideal replacement levels. It is therefore recommended that special attention be paid to maintenance.

Average percentages and kgs per hectare of grain loss are shown on the accompanying chart.

| Crop | | loss Kg per hectare |
|---|---|---|
| Soya | 8.5 | 194 |
| Maize | 15.0 | 694 |
| Sorghum | 9.5 | 358 |
| Sunflower | 7.9 | 124 |
| Rice | 7.0 | 580 |
| Dry bean | 11.0 | 133 |
| Peanut | 26.5 | 410 |
| Wheat | 7.5 | 150 |

### * Analyst Views Argentine Military Inferiority

*91SM0361A Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Jun 91 p 2-4*

[Interview with Rosendo Fraga, Union for the New Majority Studies Center president, by Marco Chiaretti in Buenos Aires; date not given]

[Text] Of all the problems afflicting Argentine society, the one getting the most coverage in the world press is

the military controversy. In the past four years the "carapintadas" [painted faces] have put Argentina in the headlines on four different occasions, the most recent of which was last December.

Rosendo Fraga, one of the most respected military analysts in Argentina, believes that by August at least, the world press will have to drop the phrase "military coup" when thinking about Buenos Aires.

There are reasons for believing the opposite. In recent weeks the struggle between certain sectors of the armed forces and the government was brought to the public's attention by several events as, for example, former Air Force Commander in Chief Crespo's request for a transfer to the reserves and his house arrest.

Other examples are the statements by Vice Admiral Antonio Mozzarelli; the marches and countermarches of Defense Minister Erman Gonzales concerning the call-up of recruits; and the quarrels between the Defense and Economy ministries regarding military pay.

Then there is the interminable domestic and foreign crisis caused by the Condor II, the medium-range missile that the United States wants to see destroyed, obviously against the will of the military high command.

Lastly, there is no dearth of arguments to support those who are inclined to see "carapintadas" suddenly appearing on every street corner. It is therefore somewhat surprising to hear the views of Fraga, a lawyer who comes from a family that has been in the military for several generations.

Fraga's office is located—ironically—on United States "Street," occupying one of the rooms of the "Union for the New Majority Research Center," an institution that has one foot in politics and the other in historiography. The center is one of the few prestigious conservative organizations on the Argentine political scene. Fraga is its president and mentor.

In the course of the interview he analyzed certain statements that have been made by members of the Brazilian military concerning the possibility of a war with Argentina; spoke of the everlasting military problem that exists between Argentines and Chileans; and gave a detailed account of what he believes is wrong with the armed forces. It is an analysis that may explain why Fraga's name always comes up when possible candidates for defense minister are mentioned.

[Chiaretti] What do you think are the chances of a war between Argentina and Brazil?

[Fraga] I believe that from an objective standpoint the Argentine military system is in much worse shape than the Brazilian. As regards the units stationed on the border—in the Argentine Mesopotamia—the ratio in Brazil's favor is four to one in quantitative terms and seven to one in qualitative terms.

[Chiaretti] Do you think it is an exaggeration to believe—as some do—that there could be an "Argentine" threat to the Brazilian defenses?

[Fraga] Yes, I believe so. Half of the Brazilian Army is concentrated on the border. That comes to more than 100,000 men. The entire Argentine Army numbers 60,000 troops.

[Chiaretti] And what about the armament?

[Fraga] In August of 1982 the staffs of the Brazilian armed forces prepared a secret document that developed a scenario for a war between Brazil and Argentina. The Brazilians had seen the Argentines in action in the Malvinas. The conclusion reached was that Brazil would lose such a war. Argentina had recently gone through a process of rearmament in the decade of the 1970's because of the possibility of war with Chile. By comparing equivalent military units, the Brazilian commands concluded that Brazil would be defeated. This conclusion was valid for the second half of 1982, however, not for 1991. On the basis of that study, the projects for expansion of the Brazilian armed forces—the various "ground forces"—were initiated; a heliborne brigade was stationed at Santa Maria; and so forth. At the same time, there was a growing crisis within the Argentine armed forces.

[Chiaretti] But isn't what applies to Argentina also applicable to Brazil?

[Fraga] The Brazilians did not have Malvinas, nor the "Dirty War," nor the military revolts, nor as large a reduction in the budget as the Argentines. A comparison between an Argentine unit and its Brazilian counterpart will show that even the Brazilian uniforms are superior.

[Chiaretti] Then you do not believe a war between the two countries is possible?

[Fraga] I believe the chance of a war between Brazil and Argentina is one in 200. Argentina's problem is Chile, not Brazil, and a war today with Chile would mean defeat for Argentina. Chile is developing rocket launchers in conjunction with Great Britain, the so-called "Thunderbolt" [Raio] system; is building submarines; and has entered into negotiations with the United States to buy F-16 pursuit aircraft. Moreover, the Chilean Army numbers 57,000 men.

[Chiaretti] How do you view the relations between the armed forces and the government?

[Fraga] I believe the central problem in the transformation plan being attempted by the president has to do with reducing insofar as possible the role of the state as a producer of goods and services. To accomplish this, we have the privatizations. What is lacking is a project to reformulate the state's role in performing its proper functions.

[Chiaretti] What functions?

[Fraga] Health, education, justice, security, and defense. What is lacking is a debate and a political decision to see to it that these five areas perform their functions efficiently. This is the primary aspect of the military crisis. All aspects are in crisis, after all.

[Chiaretti] Does the military crisis have any special characteristics, however?

[Fraga] To be sure. The political and institutional impact of the military crisis is always the most serious of all. It is no accident that from 1930 to the present day, Argentina's presidents have been military men. Moreover, in 16 of the past 60 years we have had elected military presidents, Justo and Peron. And we have to insert the Argentine military crisis into the context of the overall South American military problem. Argentina has not been the only country with military governments.

[Chiaretti] Then why is the crisis more serious here?

[Fraga] None of the armed forces of the region has suffered an international defeat. This has had one very specific political consequence.

[Chiaretti] What is that?

[Fraga] Take the case of Brazil. There was a transition. When the civilians took power, the military commands remained at the head of the armed forces. In Argentina, almost 50 general officers, admirals, and brigadier generals were transferred to the reserves. There was another difference: the public's opinion of the military. I would say that President Alfonsin's attitude toward the military was hostile, and this generated a certain resentment.

[Chiaretti] What about the budget?

[Fraga] To all these considerations one must add the fact that the budget of the Argentine armed forces was established in the late 1970's at 4 percent of the GDP. Between 1986 and 1991, however, military spending averaged 2 percent of the GDP. Funding of the military was diminished by half. Any organization that in four years loses half of its funding in the absence of any rationalization winds up with an operational crisis such as the one we have today.

[Chiaretti] What was the result of this funding problem?

[Fraga] There was a reduction in the real pay of the military, and second jobs became the rule. In the garrisons of the large urban centers, 70 percent of the officers and 90 percent of the noncommissioned officers have a second job. This has accentuated a process of deprofessionalization and dissatisfaction.

[Chiaretti] What about the defense industry?

[Fraga] It has been disrupted. In contrast to Brazil and Chile, here the defense industry is state-owned and in the military orbit. All this has brought about a really critical situation.

[Chiaretti] When was this crisis radicalized?

[Fraga] In 1987 there was the Holy Week crisis, when a major who had been summoned to testify refused to appear. They defended him, and the situation went from bad to worse. There were three repetitions of this type of incident. There were four revolts. All this led to a really critical situation in the Argentine armed forces.

[Chiaretti] What is the central problem?

[Fraga] The lack of a restructuring and modernization program consonant with the profound character of the problems of the armed forces. Moreover, these problems are primarily of a moral, spiritual and ethical nature. The values that are peculiar to the military profession have been lost. Today's soldier acts much more like a government employee than like a soldier.

[Chiaretti] Are there other problems?

[Fraga] There is one very serious problem in the area of personnel management. The criterion of seniority is still the basis for advancement. This is true in no other country. It eliminates competition and excellence. We have management and operational systems that need to be modernized. The basic problem is that governmental policies in this area affect only—and imperfectly—the organizational aspects. A policy of military restructuring cannot be built around privatizations, for they are a secondary policy. Everything was made worse by the fact that over a period of seven years we have had eight defense ministers, and four defense ministers in the past two years. This makes it very difficult to have effective leadership.

[Chiaretti] What is the status of the controversy regarding the Defense Ministry?

[Fraga] To complicate things still more, the civilians who have been in charge of the ministry have not been specialists possessing expertise in military matters. They have been political appointees. This has intensified the problem.

[Chiaretti] What is the current size of the three armed forces?

[Fraga] The Army has 30,000 officers and noncommissioned officers, the Navy 16,000, and the Air Force 13,000. This year the Navy will induct 3,000 personnel, the Air Force none, and the Army 7,000.

[Chiaretti] Is the small number of recruits creating problems?

[Fraga] That is a very serious problem in the Army's case. It is causing a major internal crisis in the Army, as evidenced by the revolt of 3 December. Increasingly, the noncommissioned officers are becoming protagonists. The noncommissioned officer has no one to command.

[Chiaretti] What about the 3 December....

[Fraga] Look. The Army has four noncommissioned officers for each officer: respectively, 6,000 as against

24,000. In the December revolt there were 15 noncommissioned officers involved for each officer involved.

[Chiaretti] And what about Condor II?

[Fraga] Condor II is a project from the early part of the decade of the 1980's. In 1985 Alfonsin signed a decree by which Argentina entered into partnership with Egypt to develop the missile, and Egypt in turn formed a partnership with Iraq.

[Chiaretti] Thereby creating an Argentina-Iraq connection....

[Fraga] A connection which beginning in 1988 the United States, after the end of the Iran-Iraq war, undertook to neutralize. In April of 1990 Menem announced the suspension of the project, and with the outbreak of the conflict in the Gulf—when it became apparent that Saddam's real problem was obtaining a medium-range missile capable of reaching Israel—the U.S. pressure was intensified.

[Chiaretti] With a view to neutralizing the project....

[Fraga] Now there was already talk of deactivating and dismantling the project. The Air Force and the defense minister last month opposed this step, but the economy minister eventually supported deactivation, agreeing with the U.S. position. Defense Minister Erman Gonzalez this week finally announced the deactivation of the project.

[Chiaretti] What does that mean?

[Fraga] It means that the project is no longer secret and is no longer a military project. I believe it is something similar to what happened in Brazil last year, when Collor announced the deactivation of the secret nuclear project.

[Chiaretti] Is Condor II the cause of the crisis?

[Fraga] It is one of the causes. There is also the military pay problem. The defense minister and the chief of staff insisted on the necessity of a pay increase, but the economy minister refused to grant it. It was decided to reduce the operating expenses of the armed forces in order to give an increase to the personnel on the active list. Then there is the trial of the "carapintadas," which every day is in the news with an unresolved internal conflict. There was the crisis in the defense industries, and also the conflict within the Navy, with the departure of Vice Admiral Mozzarelli. Moreover, there is the problem of the recruits. The Army created a tense situation when it tried to retain the soldiers who were recruited last year. Now the government has announced that the term of military service for this year has been reduced to six months.

[Chiaretti] Isn't there too much tension?

[Fraga] I would say there is more tension than in previous months. Nonetheless, over the short term—until August—this will probably not be transformed into a crisis scenario. There could be a crisis situation between August and November, especially because the armed forces will have serious operational difficulties. They will be without funds and without personnel.

## Bolivia

### Extradition Amnesty Offered to Drug Traffickers

*PY1707234691 Madrid EFE in English 2239 GMT 17 Jul 91*

[Text] La Paz, July 17 (EFE)—Bolivia is to offer drug traffickers guarantees that they will not be extradited to stand charges abroad if they give themselves up, Interior Minister Carlos Saavedra said Wednesday.

A 120-day amnesty period allowing drug smugglers to turn themselves in would begin in the next few days, following the issuing of a government decree, he said.

He told a news conference that he believed the measure would bring "a drastic reduction' in trafficking in Bolivia, the largest producer of the coca leaf, the raw material for cocaine, after neighboring Peru.

Bolivian drug traffickers fear extradition to the United States if arrested.

The offer appears similar to one made by the Colombian Government under which leading cocaine traffickers, such as Medellin cocaine cartel chief Pablo Escobar, have handed themselves over to authorities.

Saavedra said he also hoped it would prevent the country "reaching the same level of violence" as Colombia, although he added, "We are not going to be deluded and think that drug trafficking is going to disappear."

He acknowledged that the amnesty plan had similarities to that adopted by Colombia, which had previously extradited a number of leading drug suspects to stand trial in the United States.

So far three leading Bolivian suspects, including the man recognized by U.S. authorities as Bolivia's chief drugs baron, Erwin Guzman, have given themselves up or offered to do so on condition that they not be extradited to the United States.

Saavedra said that although Guzman had pre-empted the amnesty date he would not be extradited because he had given himself up.

There were "others interested" in surrendering to the authorities, he added, although he declined to give names.

But he said that the extradition to the United States of the brother, sister and mother of Bolivian drug baron Jorge Roca Suarez would go ahead.

A spokesman for the U.S. Embassy in La Paz said they were studying the government's proposals and did not want to comment yet.

Two other traffickers, including former Interior Minister Luis Arce Gomez were handed over by the government several years ago, prompting severe criticism for opposition parties for not consulting the Supreme Court first as required.

One of the conditions of the amnesty would be that the drug traffickers "confess their crimes and contribute effectively to the capture of other criminals", as well as handing over equipment used to produce cocaine, Saavedra added.

Those that gave themselves up could expect a minimum jail sentence of five years. A new maximum security jail to hold them was "almost ready", he added.

## Brazil

### President Departs for Ibero-American Summit

*PY1707175891 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 17 Jul 91*

[Text] President Fernando Collor de Mello has left for Guadalajara, Mexico, where he will attend a presidential summit along with 20 [as heard] other Latin American presidents.

The president today stayed at Casa da Dinda [presidential residence], where he reviewed the four speeches which he will deliver during the summit. Collor will return to Brazil on Saturday 20 July.

### Collor Authorizes Private Communications Systems

*PY1807010291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 17 Jul 91*

[Summary] Before leaving for Mexico today, President Fernando Collor signed a decree regulating a limited telecommunications system. Among other things, the decree authorizes the establishment of private telephone systems, even in areas that already have telephone systems. According to the decree, any private individual is authorized to establish a communications system and charge fees for this service. The communication systems are allowed to use radios, cables, satellites, or previously established public services. The sector that will benefit most from this decree is the banking sector, which uses the on-line [preceding words in English] system to communicate with its branches.

### * Wellisch Seeks To Simplify Tax Structure

*92SM0395C Sao Paulo GAZETA MERCANTIL in Portuguese 20 Jun 91 p 3*

[Article by Brasilia correspondent Ivanir Jose Bortot]

[Text] National Finance Secretary Luis Fernando Wellisch acknowledged that studies exist in the Ministry of the Economy that would simplify the tax structure at the federal, state, and municipal levels. The federal government plans to implement a new tax policy under which the sources of funds and the powers of each of the spheres of government would become clear.

Tax policy needs to be developed in close harmony with Brazil's economic development strategy. Wellisch said the government has already been using the taxation system to achieve three clear-cut objectives:

- Tax levies may not influence the formation of prices in the economy. The objective of the reduction of the Tax on Manufactured Products (IPI) rates on automobiles and cigarettes is to prevent the tax from contributing indirectly to a rise in inflation.
- The government could decide to simplify and reduce taxes in order to stimulate improvements in competitiveness in the industrial area. The cascade effect of taxes on the products will be combatted in order to prevent raising prices of exported products. "The government must not be a burdensome partner of the private sector," Wellisch said.
- Even if they satisfy the above objectives, tax revenues must ensure the government's ability to recover its investments. State, municipal, and federal revenues must reach levels consistent with government functions.

"We have to stop working with a strictly collection-oriented view of public revenues and start evaluating them from the macroeconomic standpoint. The purpose of fiscal policy is to protect the economic program, without jeopardizing equilibrium in the government accounts," Wellisch said.

The national finance secretary advocates a tax reform that would harmonize the sources of funds with the government's obligations. He believes it is vital to define the obligations that the states, municipalities, and the federal government will have toward the public in terms of covering expenses for education, health, and basic sanitation. "This would be a complicated process, a discussion in which there would have to be plenty of public spiritedness," Wellisch said.

A balanced public spending budget model that would make it feasible to manage the resources should contain the following parameters for the three spheres of the direct administration:

- States, municipalities, and the federal government should commit less than 65 percent of the revenues they collect to spending on personnel. The cost of operating the administrative apparatus can have 10 percent of revenues; service on the foreign debt and repayments cannot compromise more than is collected; and 10 percent of budget revenues should be reserved for investments. "This is a well-adjusted administration. If personnel expenses were lower, it would be possible to raise the level of investments," he explained.
- The changes in the tax policy that will be made in the short, medium, and long terms will require a broad-based understanding between the state, municipal, and federal spheres of government and the legislative

and judicial branches. "If we do not reach an agreement, we will get nowhere," the national finance secretary said.

**Deindexing the Taxes**

Wellisch, who is concerned about recent court rulings on the income tax and the Single Highway Tax, is taking another look at the tax deindexation bill that was sent to the office of the president. There are aspects of the deindexation proposal that could be vetoed by the courts. The government may amend some versions of the bill that will be submitted to Congress, to avoid the embarrassment of a court ruling against it. "Our economic logic is not always in tune with the judicial viewpoint. What matters is how the courts see it. If revenues fall, we will be forced to cut expenses. We have to adapt to the rules that have been set," the secretary stressed.

Regardless of whether this broad-based negotiation takes place, the government may act in the short term to end some distortions in the tax collection system. The Federal Revenue Department has now trained its sights on the income tax and the export taxes. The income tax has to be an instrument for correcting social injustice.

Many individuals manage to maintain a high level of consumer spending by evading payment of income tax. Those people put their houses and cars in a company name and even charge the cost of their household help to the company. "No one should be able to use companies to conceal personal expenses and escape the income tax," said Wellisch emphatically.

## * Winds of Change Reflected Within PMDB

*91SM0395A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jun 91 p 8*

[Commentary by Teresa Cardoso and Carmen Kozak]

[Text] Brasilia—The nationalist economic platform that has guided the PMDB [Brazilian Democratic Movement Party] in nearly all the votes during the Constituent Assembly is now in crisis. The intransigent battle against the influence of foreign capital in Brazil, waged by men like Severo Gomes (Sao Paulo State), Renato Archer (Maranhao State), Francisco Pinto (Bahia State), and Alencar Furtado (Parana State)—all presently out of office—is being replaced within the party by the conviction that in order to overcome its development lag, this country must give priority to winning access to the latest technologies. This is the banner that has been raised by legislators like Cesar Maia (Rio de Janeiro State), Alberto Goldman (Sao Paulo State), Nelson Proenca (Rio Grande do Sul State), Nelson Jobim (Rio Grande do Sul State), and Maurilio Ferreira Lima (Pernambuco State), all of whom are convinced that the concept of nationalism has changed.

The crisis is so traumatic that party president Orestes Quercia has had to employ a great deal of tact in his attempt to manage it. Although he encourages a revision of the platform, he has avoided getting into fights with the nationalists. Last week, the former governor played a decisive role behind the scenes in the replacement of the protectionist bill on informatics, authored by Luiz Henrique (PMDB-Santa Catarina State). Publicly, however, he preferred to temporize. "I advocate modernity, but with at least a minimum of protection of national capital," he declared. The final approved text retained some privileges for domestic firms.

Quercia and his group believe the time has come for the PMDB to change its spots. If it wants to win elections, the party will have to offer prospects for the country that go beyond defense of market reserves and a prejudice against foreign capital. Many deputies blame the poor showing by party presidential candidate Ulysses Guimaraes in 1989 on the lack of a modern and up-to-date platform. "We took a line that simply hit the wall and bounced back, since it struck no responsive chord with the public," recalled Deputy Nelson Jobim. In Quercia's opinion, however, the PMDB has to make the transition to a new program carefully in order not to hurt people's feelings or lose allies.

The question of foreign capital has been simmering since last year's debates on payment of overdue interest on the foreign dept. After much discussion on the possibility that the agreement proposed by the administration might threaten the country's internal payment ability, Quercia ordered his delegation to vote in favor of the proposal in the Senate Economy Committee. With PMDB approval, Brazil will disburse $900 million, the first installment on the interest in arrears owed to the creditor banks. After the recess, the party faces another traumatic debate on trademarks and patents. The vote will decide whether or not the country will pay royalties to foreign companies.

Party leaders usually say that conflict is healthy. "The PMDB is just reflecting the ideological crisis going on in Brazil," said its leader in the Chamber of Deputies, Genebaldo Correia (Bahia State). According to Correia, "the country is not static, nor can it become an Albania." Furious with those in the party who persist in their nationalistic stance, Alberto Goldman told how, in 1986, "purely out of prejudice" he forced then-leader Pimenta da Veiga (now representing the PSDB [Brazilian Social Democracy Party] from Minas Gerais State) to delete from the voting agenda a bill that would have allowed sale of Petrobras [Brazilian Petroleum Corporation] stock to the public. Forty years ago, Goldman fought for the Petrobras monopoly, but today he is in favor of a role for foreign capital in the exploration for petroleum. "The country has changed, and the PMDB must follow, in order not to miss the boat of history," said the deputy.

**Ulysses Studies English**

At the age of 75, Deputy Ulysses Guimaraes (Sao Paulo State) who in 1973 traveled the length and breadth of Brazil as the anticandidate for the presidency, today

embodies the best demonstration that the PMDB is indeed changing its spots. Defender, in the former PSD [Democratic Social Party], of the slogan that "the petroleum is ours" and the creator, in 1975, of the congressional investigation committee on multinationals, Guimaraes now feels it is time for a change. "Ten years ago, who could have predicted the collapse of the ideological imperialism headed by the Soviet Union?" he asked. "You cannot fight the facts or the times," he acknowledged. According to Guimaraes, all the parties in the world are rewriting their platforms, and although it will take some time, the PMDB is also going to change.

In referring to time, Guimaraes advised patience. "Even Margaret Thatcher, in 13 years in office, was unable to fully implement economic liberalism in England." The platform ideas are not all that the former president of the PMDB is overhauling. He is also making some changes on the personal plane. A week ago he asked Nelson Jobim to give him the phone number of his English teacher, a Uruguayan who charges 3,000 cruzeiros per conversation class. Saying that he can read and write in English, but is not comfortable speaking it, Guimaraes made arrangements for a course in "general English" to be given at his office twice a week. "People need to recycle themselves," he explained.

**Five Topics Divide the Party**

The PMDB was born with an aversion to foreign capital. Now, in order to survive, it is beginning to re-evaluate its dislike. Last week, Deputy Cesar Maia (Rio de Janeiro State), one of the mentors of the change that has been occurring in the party spoke critically on the Chamber floor of those who still think "Brazil is an attractive woman fleeing from outside investments." According to Maia, exactly the opposite is true. Meanwhile, Chamber of Deputies President Ibsen Pinheiro (Rio Grande do Sul State) observed: "On this issue, the PDT [Democratic Worker's Party] is in the 1950's, the PDS [Social Democratic Party] is in the stratosphere, and the PMDB is in the middle of the conflict." Five economic issues currently split the party's 110 deputies and 25 senators. Following are the main points of conflict identified by Pinheiro:

- *Informatics*—Three groups are trying to get their own ideas to prevail: the nationalists, the ultraliberals, and the self-styled "market liberals." The first group was defeated in the Science and Technology Committee when it attempted to maintain the market reserve for eight more years. The ultraliberals were unsuccessful in trying to open up that market completely. The so-called market liberals won out. However, some privileges for domestic companies were retained, such as exemption from the Tax on Manufactured Products (IPI) for seven years beginning in 1992.
- *External debt*—After a long period of debate, the PMDB ended up yielding to those who believe that the country cannot continue in a situation that makes it hard to attract foreign funds. Its platform line, which the present leadership is starting to change, calls for the moratorium on repayment and a full audit of the debt itself, an idea now advocated by only 10 percent of the party.
- *Trademarks and patents*—The PMDB has never been in favor of paying royalties to foreign companies, but now recognizes the need for legal norms to regulate the subject. However, it is split on the length of the time frames established in the trademarks and patents bill submitted by the Collor administration. It tends to want to lengthen those intervals.
- *The concept of domestic and foreign companies*—Congress has not yet regulated Article 171 of the Constitution, which defines what constitutes a Brazilian company, a Brazilian company with national capital, and a foreign company. A decision on these matters is fundamentally important if the party is to be able to take a position on other economic issues.
- *Privatizing state corporations*—When Collor took office, the Congress passed a provisional measure authorizing him to privatize the state corporations. As soon as a decision was made to privatize Usiminas [Minas Gerais Iron and Steel Mills, Inc.], however, resistance developed within the PMDB. The liberals say the role of the state needs to be revised, but are adamant on a government presence in sectors it believes are strategically important, such as iron and steel and petrochemicals.

## • Vaccine Purchase Agreement With Cuba Imminent

*92SM0395B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jun 91 p 10*

[Text] Brasilia—Twelve days after the Sao Paulo State Health Department announced suspension of the use of the vaccine against Type B meningitis because of the low level of immunization it provides, Minister of Health Alceni Guerra announced yesterday that a treaty for the purchase of 15 million doses of the vaccine will be signed with Cuba in a few days.

The agreement, worth $82 million (about 24.7 billion cruzeiros) will be signed if the Cuban government agrees to transfer the vaccine-manufacturing technology to Brazil. Cuba is the only country that has succeeded in making a vaccine against Type B meningococcal meningitis.

In the minister's opinion, signing this agreement will enable Brazil to "jump two or three years ahead toward manufacture of the vaccine." The Brazilian government's idea is that the technology would be transferred by setting up a joint venture between companies from both countries.

Not all experts in epidemiology approve of importing the vaccine. Just a few meters away from the Congress building where Guerra announced the purchase, the Chamber of Deputies Committee on Social Security and the Family, chaired by Rio de Janeiro Deputy Roberto Jefferson (PTB) [Brazilian Labor Party], met with Sao

Paulo State Secretary of Health Nader Wafae and directors of the Butanta Institute, the Osvaldo Cruz Foundation (Fiocruz), the National Health Foundation, and other health affairs and disease control entities to discuss the importation of Cuban vaccine.

During a debate that the committee chairman characterized as "high-caliber," the participants reported that the vaccine has proven to be only about 40 percent effective. While they are not questioning the competence of Cuban scientists and technicians, they complained of an absence of the information needed to enable them to better assess its effects.

The experts think the administration needs to provide more incentives for research into preparation of the vaccine, already being done jointly by the Butanta Institute, the Adolfo Lutz Institute, and the Osvaldo Cruz Foundation.

According to Willy Becak, of the Butanta Institute, the research is proceeding with funding of about $260,000 (about $80 million cruzeiros) made available by the Ministry of Health and the Sao Paulo State Health Department. "If we had the 80 million [as published], we could make a lot of progress in developing the vaccine," he said.

Becak also said that despite a lack of funds, the Brazilian vaccine has already reached the laboratory stage, with testing being done on rats. He predicted that by mid-1992 it will be possible to test the vaccine on humans.

Application of the Cuban vaccine against Type B meningitis was suspended in Sao Paulo State on the basis of a study made of last year's campaigns that showed the vaccine to be no more than 50 percent effective in preventing Type B meningitis.

## Chile

### Extension of President's Term Not Discussed

*PY1707172691 Santiago EL MERCURIO in Spanish 6 Jul 91 p C 3*

[All quotation marks as published]

[Excerpt] Enrique Correa, secretary general of government, said on 5 July that the executive branch has not discussed the extension of President Patricio Aylwin's term in office by two years.

Correa announced this on 5 July, when consulted about President Aylwin's comments to former Sandinist Government official Tomas Borge in an interview with the Mexican daily EXCELSIOR.

According to the daily, Aylwin said he would be prepared to remain in office for another two years if the majority of the Chilean people asked him to do so and if the Constitution was modified in that respect.

Correa said: "The government has not discussed this topic."

Chilean political circles have for a few weeks been discussing the possibility of extending the presidential term by two years. The idea was apparently proposed by National Renewal Senator Sergio Onofre Jarpa.

#### Text of the Interview

The following dialogue between Borge and Aylwin is part of the interview published by EXCELSIOR:

(Borge) I have heard that it would be beneficial if you extended your term in office to six years. Why don't you want to discuss that? So far, you have remained silent about the issue ....

(Aylwin) "I have always been against this hypothesis. Even if Congress asked me, I would not agree to it. I insist that I have been elected for a 4 year term. I have already asserted that the first democratic government should be in office for a short period, long enough to consolidate the situation and ensure that the rules of the game are played cleanly. I would consider it dishonest to extend my term in office against the will of the Chilean people. As there is no constitutional mechanism to justify holding some kind of a plebiscite on the issue, I do not see any possibility of doing it. To be honest, I believe that in two years the parties will have many candidates and will not be interested in extending my period in office."

(Borge) What mechanism would be required to legitimize an extension of your period in office?

(Aylwin) "Congress would have to approve a constitutional reform authorizing us to hold a plebiscite."

(Borge) If this occurred, would you agree to remain in office?

(Aylwin) "Well, if a clear majority of the people said that in a plebiscite ...."

(Borge) If a plebiscite showed that the majority of the people decided that Patricio Aylwin should extend his term in office, would you agree to do so?

(Aylwin) "In this case, I believe I would not be able to refuse." [passage omitted]

### Argentine Foreign Ministry Official on Visit

*PY1707151491 Santiago LA TERCERA DE LA HORA in Spanish 7 Jul 91 p 14*

[Excerpts] Juan Carlos Olima, Argentine foreign relations under secretary, was in Santiago for almost 24 hours. He held "private" talks with his Chilean counterpart Edmundo Vargas. The two officials then met with Chilean Foreign Minister Enrique Silva Cimma, whom they briefed on the advances made during their negotiations.

On 6 July, Vargas confirmed that he held a private talk because "this is part of a process that began many months ago, a process that has not yet been concluded." [passage omitted]

Asked about the subjects discussed at the meeting and if they faced some problems, Vargas said: "I will not confirm or deny anything." He added: "This is a complex, delicate, and well-conducted negotiation, which we hope will allow the presidents to sign agreements during the meeting they will hold in August. [passage omitted]

## Further Reportage on Letelier-Moffit Case

### Indemnification Criticized

*PY1807023091 Santiago EL MERCURIO in Spanish 7 Jul 91 p C 3*

[Excerpt] On 6 July, Renewal Party (RN) Senator Miguel Otero criticized the U.S. Government's diplomatic attitude toward the agreement signed with Chilean authorities to indemnify those affected by the Letelier-Moffit case.

Otero said the U.S. administration had warned the Chilean Government and the Senate of the serious consequences the decision to reject the agreement could have on bilateral relations, adding: "It is trying to influence the Chilean court's decisions now, in another attempt to violate the principle of nonintervention and respect for our sovereignty."

Speaking on behalf of the RN, Otero said the terms under which the Senate passed the "ex gratia" indemnification for the Orlando Letelier and Ronni Moffit families "clearly try the country's dignity" because the Chilean state has thus admitted its responsibility in the murder, an incident that has not been legally proven.

He termed this decision "serious" because "the agreement resolves a controversy affecting the demands between Chile and the United States," and establishes that the United States "expressed its satisfaction over any demand it could have against Chile as a result of this matter."

In this regard, he said that this point has been discussed with U.S. Ambassador to Chile Charles Gillespie, who said that "Chile has taken a first step in compensating the victims' relatives, but we expect a court's decision to conclude this case that has been very important for bilateral relations."

Otero said the reasons given by the U.S. Government to enforce the Bryan-Suarez Mujica Accord "lack a real basis" because Chile has complied with its obligation for "timely and efficient" cooperation in the investigation of the case.

He added that the requirements have not been met to assume the diplomatic protection of the affected families, considering that they have not submitted any civilian demand to the Chilean court and especially because the court's protection of their rights has not been overruled.

Otero pointed out that the accord is aimed at forcing Chile to accept a U.S. court's decision against the Chilean state, "clearly violating the international laws establishing the equality among states and the immunity of the jurisdiction."

He said that the Bryan-Suarez Mujica Accord cannot be applied in this case because Article No. 4 establishes that "no matter could affect the sovereignty or the vital interests of any of the two countries, the dispositions established in their constitutions, or the interests of a third power will be arbitrated."

Otero also said that the steps taken by the foreign minister at the Supreme Court to satisfy the U.S. Government are inconceivable considering that Chile "has never violated its international commitments and has not participated in international murders, and consequently it cannot assume such a responsibility." [passage omitted]

### Special Judge Designated

*PY1807023691 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 16 Jul 91*

[Excerpt] The Supreme Court has named Adolfo Banados Cuadra as special judge for investigating the case of forged passports and the murder of late Chilean Foreign Minister Orlando Letelier.

Lawyer Fabiola Letelier, Orlando Letelier's sister, announced that a lawsuit will be filed against General Manuel Contreras, former DINA [National Intelligence Directorate] director, and against all those found to be responsible for the murder.

By a 9-7 vote, a Supreme Court plenary session this afternoon decided to designate a special judge, at the Foreign Ministry's request, as is set forth by law for cases that affect relations with other countries. [passage omitted]

## PCCh Requests Protection From 'Harassment'

*PY1807015691 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Jul 91*

[Text] The Communist Party of Chile [PCCh] has filed a request for protection with the Santiago Appellate Court in order to preserve PCCh members' right to organize themselves, in view of the fact that they have been harassed by unknown persons. Lawyer Pedro Aravena gave details of the harassment.

[Begin Aravena recording] Several actions have been staged in the last three months. Although such actions, which have become more intense, are partly connected with the political espionage reported by the newspaper LA EPOCA, they go beyond that because they have been

staged all over the nation. Party leaders of the Fifth and First Regions have been threatened, many Santiago Party offices have been stormed, and some community leaders and leaders of different party levels have been subject to control and detention by individuals whose identification we ignore. [end recording]

The PCCh asked the Interior Ministry to state whether it has any information on the organization performing the intimidations, and requested police protection for the office at 2271 San Pablo Street.

### Chilean-Peruvian Guerrilla Connections Reported

*PY1707142291 Santiago LA TERCERA DE LA HORA in Spanish 10 Jul 91 p B 3*

[Text] Recently, the Lima police have uncovered significant political links and evidence of military cooperation between the Manuel Rodriguez Patriotic Front [FPMR] and the rebel group Tupac Amaru Revolutionary Movement [MRTA].

The links between the two guerrilla groups were confirmed following a raid last June on the house of one of the guerrilla leaders, where 37 videotapes were seized.

A UPI message, datelined Lima on the night of 9 July, reported that the tapes showed Chilean terrorists teaching Peruvian guerrillas how to handle weapons and explosives, and showing attack, defense, and escape techniques. Flags and slogans of the Chilean terrorists were also shown. According to UPI, reliable police sources said that another tape showed guerrillas learning how to manufacture bombs.

The tapes had well-known brand labels which hid their true content.

The house raided by the police is in a middle-class district of Lima and it belongs to subversive leaders Hugo Galvez Olaechea and Rosa Luz Padilla.

The Peruvian police have charged Galves with being one of the main military trainers and with handling the terrorists' finances. The mass media in Lima has reported on the rivalry prevailing between Galvez and MRTA top leader Victor Polay, who is currently at large.

Padilla is believed to be one of the principal MRTA trainers in matters related to organization and intelligence.

In its 14 May and 13 June issues, LA TERCERA released an exclusive report on connections between the Chilean and Peruvian guerrillas, based on highly reliable police reports.

The latest reports referred to the permanent contacts between the Lautaro Youth Movement and the Shining Path terrorist organization. These reports have caused a great impact as they hinted at the possibility that two Peruvians are involved in the murder of Chilean Senator Jaime Guzman Errazuriz.

### MIR Discontinues Support of Administration

#### MIR Leaders Comment

*PY1707212691 Santiago EL MERCURIO in Spanish 28 Jun 91 p C 5*

[Text] The so-called MIR [Movement of the Revolutionary Left] National Provisional Board has announced its decision to discontinue its support for the transition process, the Patricio Aylwin administration, and the Communist Party of Chile [PCCh], and advocated all forms of struggle, including armed struggle. It made this announcement with the same "revolutionary" language it used in the 1960's, when the movement was created.

During a news conference at the Torres coffee shop, MIR leaders Leopoldo Lavin, Luciano Bejar, Carlos Laffert, and Hugo Carcamo said: "We represent the MIR National Provisional Board, which itself proposes a power strategy today."

They also criticized the sector known as the MIR Political Branch, which has started to rejoin democracy. They said: "It no longer a part of MIR because of its support for the government and the Coalition of Parties for Democracy and it represents a sector that mainly advocates the current capitalist system." The leaders denied having any link with the MIR Military Branch, which has taken credit for a number of terrorist attacks. They added, however, that despite this fact they respected it. The MIR National Board has not rejected the use of violence for political purposes. It said: "Regarding revolutionary violence, we think that we are completely identified with the people, and we will support them in the creation of their social and political force and the change in all forms of struggle they might promote."

The leaders termed it necessary "to democratize society, to make citizens resort to power, a situation that is not provided for in the current Chilean political system. We want to resume revolution with all democratic sectors."

The MIR National Board announced its firm decision to break with the current institutional system, because of its antidemocratic position and because it represents the continuation of the economic and political systems that prevailed under the military regime.

The MIR leaders said that President Patricio Aylwin represents neoliberalism. "He represents the political sector of the bourgeoisie. The government is more identified with the business sector, involving even the leftist sectors, with whom we fully disagree."

They also criticized the PCCh, which, they said, has tried to change its internal institutional system, which is not possible. "Therefore, we strongly disagree with the PCCh mainly because it thinks that it is possible to join an institutional system, which can undergo an internal democratization."

The MIR National Provisional Board reported that the newspaper EL REBELDE, founded in 1965, has again

hit the streets. In its July editorial, the MIR said that the democratic process has been a "sovereign lie," adding that those who dreamed of a true democratic country "found themselves surrounded and fatally wounded in their attempts."

The editorial said: "The sincere attempt of not changing anything, of not arrogantly promising to comply with promises is hidden under the excuse of the political times."

### Minister Comments

*PY1707214091 Santiago EL MERCURIO in Spanish 29 Jun 91 p C 5*

[Excerpt] Minister Enrique Correa, secretary general of the government, said that the declaration by a MIR faction that advocated violence and criticized the current transition process "openly violated the law," and, therefore, their members must accept the consequences.

Correa made this statement in relation to the comments made by the MIR National Provisional Board, which reasserted the strategy of all forms of struggle and announced its break with the transition process.

Correa said that respect for the Constitution and the law are guarantees for everyone in Chile, and, therefore, any movement that abides by the law will be respected by the state. [passage omitted]

## Pinochet To Inspect Military Units in South

*PY1807004091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Jul 91*

[Text] The Army has officially reported that General Augusto Pinochet, Army commander in chief, will travel to southern Chile. An Army Communications Department communique said that Gen. Pinochet traveled today to the 10th Region to inspect 4th Division units. The communique said the visit is part of the commander in chief's annual, scheduled professional activities.

## Minister Comments on Military Budget, Spying

*PY1707114091 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 17 Jul 91*

[Text] Defense Minister Patricio Rojas has said that the sources through which the Armed Forces are financed will not be touched during 1992. Rojas also commented on reports of political spying:

[Begin recording] [Rojas] The sources of the Armed Forces budget will not be changed during 1992. We will see what happens after that.

[Reporter] Minister, it has been said that the government might reduce the budget of the intelligence services.

[Rojas] That subject will be discussed during a heated debate in Congress. Even more so than last year. The reasons are known. There have been public complaints about activities attributed to military intelligence services but these charges have not been substantiated in any way. Intelligence personnel have not been involved in any wrong deeds and I am not aware of any violations. Everything is considered normal until proven otherwise.

[Reporter] The public is concerned. Which organization is involved in the alleged political spying if the Dine [Army Intelligence Service] is not?

[Rojas] I cannot guess. I can only comment on national defense, which is precluded from these type of activities. If these activities did occur and the government thinks it must intervene, the Interior Ministry will decide what actions to take in the matter. [end recording]

## Army 'Saves' $9 Million Through Production

*PY1707120291 Santiago EL MERCURIO in Spanish 9 Jul 91 p C 4*

[Excerpts] During a ceremony to mark the "Day of Military Engineering," Brigadier General Fernando Hormazabal Diaz, commander of the Military Ordnance and Engineering Command, Cimi, stated yesterday that $9 million has been saved over the past few months through the production of material to fulfill contracts with the Army Logistics Board. [passage omitted]

Gen. Hormazabal categorically denied that Chile is engaged in an arms race through projects related to the military industries, as claimed by reports in some neighboring countries. He said: "Under no circumstances should the military industries projects be mistakenly interpreted as an arms race, as claimed by some foreign elements that wish to confuse our public opinion and take advantage of the internal situation in our country."

He noted the recent achievements of the Chilean military industries which he heads. He said: "Chile has thoroughly assessed its expenditures on national defense compared with other basic needs of our society."

He mentioned the development of the new Famae [Army Ordnance] submachine gun which has already been approved in Portugal and is now being tested in England, Morocco, Tunisia, and Paraguay. He also referred to the "Lightning" rocket, which has passed the dynamics and flight tests in England.

Hormazabal said that the Army Chemical Industrial Complex has made considerable progress in researching propellants for Blowpipe, Low, and Instalaza missiles using black powder and polymers [sentence as published]. Studies are also being carried out in the field of smoke generating materials and the evaluation of multipurpose explosives.

The general mentioned the principal products of the military industries, like the production of 7.62 mm SIG [Schweizerische Industrie Gesellschaft] 542-1 and SIGA [expansion unknown] 510 rifles; reconditioning light Army weapons; manufacturing the SAF [expansion unknown] 9 mm submachine guns; manufacturing 160

mm solid-fueled artillery rockets; manufacturing 8 x 8 Mowag [Motorwagenfabrik] combat cars; reconditioning armored and antiarmor materials; reloading artillery tank ammunition and antiarmor ammunition, and the subdivision [subdivision] of charges for 155 mm artillery ammunition.

Gen. Hormazabal said: "These activities represent substantial savings for the Army. The first contract signed with the Talagante Chemical and Industrial Complex and the Army Logistics Board alone has saved us approximately $9 million."

## * Central Bank Reports Trimester GNP Growth

*91SM0398A Santiago EL MERCURIO in Spanish 8 Jun 91 pp B1, B20*

[Text] A report of the Central Bank points out that for the second, consecutive quarter the increase in GNP was above 2 percent, which is "evidence that the economy has resumed its growth."

The Gross National Product (GNP) grew by 2.3 percent during the first quarter of 1991, compared to the same period of 1990, according to preliminary statistics released by the Central Bank.

The bank, which issues Chilean currency, emphasized that this is the second, consecutive quarter during which the increase in GNP was greater than 2 percent, "thus providing evidence that the Chilean economy has resumed its growth." During the fourth quarter of 1990 GNP grew by 2.1 percent.

In 1990 as a whole GNP grew by 2.1 percent. Its behavior by quarter was as follows: first quarter, 5.5 percent; second quarter, 0.8 percent; third quarter, 0.2 percent; and fourth quarter, 2.1 percent.

The report indicated that when these figures are adjusted for seasonal variations, the economy grew by 1.5 percent during the first quarter of 1991, compared to the fourth quarter of 1990. This reflected a positive trend in the real development of the economy for the third, consecutive quarter, following the adjustment which took place during the first half of 1990.

During the first three months of 1991 GNP amounted to 125,410 million pesos in terms of the 1977 value of the currency unit.

Considered by branch of productive activity the following sectors grew during the first quarter of 1991, compared to the same period of 1990: mining, 7.3 percent; electricity, gas, and water, 6.6 percent; construction, 2 percent; trade, 4.3 percent; transport and communications, 11.5 percent; and other sectors, 2.1 percent.

GNP fell in the following sectors: agriculture and forestry, -1 percent; fisheries, -0.7 percent; and industry, -2.2 percent.

During the first quarter of 1991 tax revenue from imports fell by 1.5 percent, due to smaller imports of goods.

In terms of constant prices exports of goods and services showed an increase of 7.4 percent, while imports of goods and services reflected a drop of 2.3 percent. In the case of imported goods the decline was 2.4 percent, while there was an increase in the value of imported, consumption goods and a decline in imports of capital goods.

According to the report, the export prices of goods increased by about 4 percent during the first quarter of 1991, while import prices increased by about 1 percent. As a result, "the terms of trade were favorable for the country, a situation which is not expected to be repeated during the rest of 1991 because of the probable evolution in the price of copper."

### Development by Branch of Production

The Central Bank report explained that the fall of 1 percent in production in the agricultural and forestry sector was accounted for by a decline of 3.4 percent in the agricultural subsector and increases of 4.8 percent in the livestock and 6.5 percent in the forestry subsectors.

The report attributes the decline in agricultural production to a reduction in annual crops, especially wheat, corn, sugar beets, and rice, whose planted areas declined during the 1990/1991 growing season. The report stated that among the factors which had an impact on these results were the effects of the drought and the decline in profitability of some of these subsectors. Regarding the production of fruit, which is basically oriented toward the foreign market, the report stated that there was an increase of about 4 percent during the first quarter of 1991.

The livestock subsector continued the growth experienced in 1990, but at a lower rate, which reached 4.8 percent. The report stated that almost all of the livestock subsectors reflected increases, especially cattle and poultry.

In the forestry subsector the report stated that production increased by about 6.5 percent, resulting from increases in the extraction of logs required by the forest industry.

The fall in production in the fishery sector was explained by a drop in hand fishing, which more than compensated for the increase in the catch for the fish processing industry, which grew by 1.6 percent during the first quarter of 1991.

The increase in the mining sector reflected an increase of 11.4 percent in the copper subsector, basically due to production by the La Escondida mine, since traditional mining of copper only grew by 2.2 percent. Mining of iron ore grew by 13.1 percent. Petroleum fell by 3.1 percent, and coal fell by 5.2 percent.

In the industrial sector the branches which reported the greatest declines were the following subsectors: nonelectric machinery, 33.4 percent; other manufacturing industries, 32.2 percent; pottery and porcelain products, 29.8 percent; wood, 17.9 percent; glass, 13.6 percent; textiles, 9 percent; and tobacco, 8.2 percent.

In the electricity, gas, and water sector the Central Bank report stated that there was an increase in the electricity subsector of 7.6 percent, resulting from a greater generation of power by the Tocopilla generating station, which provides energy to the La Escondida mine.

In the construction sector there was an increase of about 2 percent in output during the first quarter of 1991, reportedly caused by an increase in home building. Meanwhile, engineering programs reportedly reflected a decrease resulting from the completion of some large investment projects at the end of 1990 and the beginning of 1991.

In the case of trade the increase resulted from greater activity in the sales of imported and domestically produced goods.

The growth in transportation was basically attributed to the growth in the communications subsector, which has been expanding on a sustained basis as a result of investments in the increase of capacity and the development of services.

In other service areas there were increases in the insurance and personal services subsector, the latter influenced by the larger number of tourists who visited the country during the present season.

Import taxes fell by 1.5 percent during the first quarter of 1991, as a result of smaller imports of goods during the period.

## Colombia

### * Congressmen, Officials React to Accord

### * Lawmakers Offer Views

*91SM0388A Bogota EL ESPECTADOR in Spanish 9 Jun 91 p 7A*

[Article by Hector Hernandez M.: "Gaviria Lied to Congress"; first paragraph is EL ESPECTADOR introduction]

[Text] So said Senator Iragorri, president of the Congress, who called all of its members to a special meeting next Tuesday. Constituent Assembly members Lemos and Palacio Rudas oppose the agreement because it undermines the Liberal party and the institutions. Parliament members Blackburn and Arboleda support it.

Bogota—A harsh interpellation was addressed to President Cesar Gaviria, former President Alfonso Lopez, and Horacio Serpa, Constituent Assembly member, by Independent Liberals of the National Assembly, by political groups that do not belong to this new institution, and especially by the current members of Parliament.

Aurelio Iragorri Hormaza, president of the Congress, minced no words in charging that the head of state had failed to keep the gentlemen's agreements he had entered into, and that he had lied to the legislative Chambers and to the country when he maintained that the constitutional reform, would not relegate the parliament to a provisional status.

Carlos Lemos Simonds, a Liberal member of the Constituent Assembly, said that what the accord has done is to eliminate the Liberal Party and endanger the institutions.

Delegate Alfonso Palacio Rudas expressed a similar thought, saying that this accord will bring about an institutional confrontation: "The most serious aspect of a situation of this nature is that the law must be upheld by force, be it the force of reason or the police force," he said.

#### Lack of Honor

Aurelio Iragorri, president of the Congress, said: "I think this accord goes beyond the limits of the popular mandate that convened the National Constitutional Assembly specifically to reform the Constitution. That mandate in no way decreed the dissolution of the Chambers. That is why I think that those who have endorsed this new accord have failed to keep the gentlemen's agreements formally entered into, at a solemn moment, among themselves and by the president himself. It seems to me that this new accord waters down the president's words spoken to the Congress and to the Colombian people in his 16 December speech closing the regular session of Congress, at which time, he said that neither would the institutions be put at risk, nor could the Constitutional Assembly summarily dismiss the Congress in order to replace its members, who had been legitimately elected to provide structure to the authority of the state. It seems to me that the result of these most recent talks and meetings in the Casa de Narino will only serve to satisfy the electoral ambitions of Constituent Assembly members who happen to be disproportionately in the news, making the president's reiterated views appear weak and volatile. The Constitutional Assembly, for the record, may delete the pertinent paragraphs of the president's speech at the closing session of the Congress, but it will never be able to dismiss the parliamentary institution as such, because we Colombian democrats will continue to fight for the continued existence of this fundamental institution that was created by us at the dawn of our independence. I take this opportunity to call all the congressmen to a special meeting next Tuesday at noon in the National Capitol."

#### Liberal Party Without Standing

Liberal Congressman Edmundo Lopez Gomez said: "I am disturbed by the step taken, in complete disregard of

the Liberal Convention, by the president of the Republic and former President Lopez, because I expected that as long as the Liberal Convention's decision to oppose the dissolution of Congress remained in effect, no step toward dissolving it would be taken. Our Convention's voice was therefore disallowed, and we can no longer say that the party has standing. Moreover, the judiciary has obviously also been attacked. The accord disregards a ruling by the Supreme Court of Justice upholding the tenure of the current congressmen and, in addition, states that this tenure is unacceptable. When a country, through political agreements, ignores the rulings of the judges, we are definitely lost."

**Scopolamine to the Congress**

Carlos Lemos Simonds, Liberal member of the Constitutional Assembly, said: " A few days ago, in an eloquent speech before the Constituent Assembly, Dr. Horacio Serpa said that the Liberal Party would not allow a nasty blow to be dealt to Congress or to the majorities that the people have, or had, in it. Last night, the blow was not struck, but Congress was given scopolamine (a sedative), and while asleep it was robbed of everything it had. What happened was a great triumph for Navarro Wolf and a resounding defeat for the Liberal Party. Liberalism, which for 170 years has come through all manner of risks and dangers, with flying colors, was practically ripped to shreds by Navarro's skill. There is no doubt that the head of M-19 [19 April Movement] has shown more skill at playing politics than all those who, on occasions during this period, have been his opponents. His astuteness is reflected in his success at having Congress dissolved, at having the elections scheduled for the date and time that he chose, and at establishing a kind of constitutional dictatorship that Dr. Gaviria will head for six or seven months, assisted by an advisory Council of State of sorts, drawn from the Assembly—a Council of State that will certainly be dominated by Navarro Wolf, as was the Constitutional Assembly."

**An Unprecedented Accord**

As far as Conservative Senator Hugo Escobar Sierra was concerned: "This political accord is far-reaching for the enormous and unpredictable consequences that it will have in the future evolution of our democracy. It is unusual, indeed unprecedented, because the dissolution of Congress, in the manner in which it will occur, has no precedent in the history of the Republic, and because it is also an obvious coup d'etat against the legislative branch of the government. It is also disconcerting, in that the president of the Republic and the National Convention of the Liberal Party had officially declared their rejection of or disagreement with the decision to dissolve the Chambers. In any case, we will calmly study this breakdown of our system of laws. But mainly, we are, and I personally am, interested in preserving the dignity and respect of the Congress."

**The Supporters**

Liberal Representative Saulo Arboleda, who supports this step and agreement, commented: "I think the important thing is that the objective of resolving highly controversial election issues through agreements was achieved, reducing the possibility of confrontations that ill serve our national coexistence. It was to this end that the Liberals delegated full powers to the head of state, President Cesar Gaviria, to the sole head of the party, former President Lopez, and to the president of the Assembly, Horacio Serpa. I believe that the approved changes and reforms in other areas such as the judiciary, property as a social function, and modernization of the government, are beneficial and necessary to the country. I know that the Liberal Party is capable of maintaining its leadership on the national political scene, and I am gratified that its rivalry is with other political forces such as M-19, the National Salvation Movement, and, of course, the PSC [Social Conservative Party]."

Liberal Senator Jose Blackburn said: "I think it is very important that the country's main political forces, led by the president of the Republic, try to reach a meaningful agreement on the basis of which the constitutional reform can be secured, and the noble objectives for which the Constituent Assembly was convened can be achieved. This far-reaching accord has now been signed, and is going to spur a great national debate among the members of the Constituent Assembly, in the realm of public opinion, and in Congress. What I ask at this point is that we all, and especially Congress, examine the accord calmly and patriotically, and that we do everything possible to avoid an institutional clash and to establish the basis for a large-scale national understanding, beginning today."

## * PSC Opposes Pact

*91SM0388B Bogota EL ESPECTADOR in Spanish 9 Jun 91 p 7A*

[Article by Carlos Murcia: "PSC Opposed to the Pact"]

[Text] Bogota—The PSC [Social Conservative Party] through Dr. Misael Pastrana Borrero and Dr. Augusto Ramirez Ocampo expressed outright opposition to the political accord signed in Casa de Narino calling for dissolution of the Congress and new elections.

The PSC charged that "during an ominous night in the Palace's surgical operating theater, Colombian democracy was amputated, when the Congress of the Republic's term, which, according to the people's mandate, would have expired on 19 July 1994, was truncated.

Augusto Ramirez Ocampo said that President Gaviria had directed "an orgy" in which he had negotiated over a mandate that was irrevocable and that could only have been revised by the people themselves.

Other Conservative sectors, however, considered to be independent, are backing the accord because it basically

coincides with the proposal they had submitted through Drs. Juan Gomez Martinez, Rodrigo Lloreda, Hernando Londono, and Miguel Santamaria, although the election dates differ somewhat.

Congressional member Fabio Valencia Cossio, who was part of this Independent Conservative wing and had led a group of Congressional members who endorsed the revoking of the Congress's mandate, stated to this newspaper: "I am very pleased with the political agreement between the Government and the Constituent Assembly. The country has been demanding a fundamental change in its democratic institutions. The Constituent Assembly is making that change. Therefore, if the Congress has changed its origins, its structure, and its functions, it is only logical that there be a new election."

Regarding Aurelio Irigorri Hormaza's decision to convene a special joint session of Congress next Tuesday, Valencia Cossio said that the Constituent Assembly is a sovereign body and that its decisions must therefore be respected.

Dr. Juan Gomez Martinez, for his part, expressed his gratification, because, for all intents and purposes, the accord consists of the proposal the Conservatives had submitted for consideration to the Constituent Assembly, and because his proposed constitutional reform contemplates the granting of special powers to the president of the Republic as a transition formula. He added that, even though he was not invited to sign the document, he agrees with the document and supports the accord.

Former Foreign Minister Rodrigo Lloreda expressed support for the main points of the political accord protested the fact that the Conservatives were left out of the signing of the accord and stressed that he does not go along with the decision to grant excessive powers to President Gaviria.

#### Pastrana's Statement

Former President Misael Pastrana Borrero, when asked why he had not been invited to the Palace, said that this question should be put not to the Conservatives, who had been excluded, but to President Gaviria, who was the host. He pointed out, however, that indeed he had taken part in a meeting at the Palace, at which the minister of government and Horacio Serpa Uribe were also present, and that he had taken the opportunity at that meeeting to ask President Gaviria if there was any intent to exclude some sector, party, or movement. The head of state, he said, had responded categorically to the effect that the spectrum of those agreements was wide.

Inexplicably, however—he said—the PSC had not been called to the Palace for the last two meetings. "We were not invited to participate in this last phase," Mr. Pastrana reiterated, "but neither were we kept informed, despite the statement made by the president."

## Paraguay

### Rodriguez, Uruguay's Lacalle Depart for Summit

*PY1707175091 Asuncion RPC Television Network in Spanish 1612 GMT 17 Jul 91*

[Report by Blanca Lila Fernandez]

[Excerpt] Paraguayan President Andres Rodriguez and Uruguayan President Luis Alberto Lacalle Herrera left this morning for Guadalajara, Mexico, where they will attend the first Ibero-American Summit. During this meeting, the presidents will discuss issues pertaining to trade, economy, and integration. [passage omitted]

### Interior Minister in Charge

*PY1707175291 Asuncion PATRIA in Spanish 17 Jul 91 p 7*

[Excerpt] The executive branch yesterday designated Interior Minister Orlando Machuca Vargas in charge of the Presidency, while President Rodriguez is abroad. It is well known that President Rodriguez is scheduled to leave today for Mexico, where he will attend the Ibero-American Summit. The president will also pay an official visit to Venezuela. [passage omitted]

### Trade Balance Registers $222.1 Million Deficit

*PY1707221491 Asuncion ULTIMA HORA in Spanish 17 Jul 91 p 12*

[Summary] The Central Bank reported that the country's trade balance registered a $222.1 million deficit, during the first six months of 1991. Total exports for this period were $369.9 million, while total imports were $592 million. During the same period last year, the trade balance registered a $183.5 million surplus.

## Venezuela

### * First-Quarter 1990,1991 Statistics Compared

*91SM0393B Caracas EL UNIVERSAL in Spanish (Section 2) 13 Jun 91 p 4*

[Text] The Venezuelan economy registered 10.5 percent growth during the first quarter of the year, prompting the prediction that it will experience a 7 percent development throughout 1991.

The general director of Cordiplan [Office of Coordination and Planning], Pedro Rosas Bravo, announced the first quarter results. He described them as highly positive, although he was dissatisfied with the inflation rate. The latter, including the rise in wages and salaries ordered by the national executive branch, will increase between 25 and 30 percent.

Rosas Bravo explained that, during the first three months of the year, a cumulative surplus of reserves totaling about $1.366 billion had been registered. This

raised the overall international reserves to $13.008 billion, while the operational reserves (discounting gold and special drawing rights) will amount to $8.118 billion.

Another important factor stressed by the Cordiplan general director is the result of the unemployment rate. It has shown a sharp decline in comparison with the figure for January 1991. As of 1 January of this year the unemployment rate had risen to 11.1 percent, and by May it had dropped to 9.6 percent. Rosas Bravo expects the unemployment index to decline to 8.5 percent by the year's end.

The optimism of the Cordiplan vice minister is based on growth in sectors with an extensive demand for labor.

During the first quarter the private sector grew 7.2 percent, but the manufacturing sector (industry) had an 11.4 percent growth. Construction, the great generator of labor, expanded 51.7 percent during the last quarter.

Commerce and cargo transportation increased 1.5 percent, and other services had a 2.7 percent gain.

The greatest dynamism in the economy occurred in the public sector, because there was a 15.7 percent growth, far exceeding the overall average of the gross domestic product.

The fundamental driving force for this growth was the oil companies, which posted an increase in their activity reaching a level of 18.2 percent.

The public nonoil companies had a growth of 2.7 percent, and the government in general showed 0.3 percent growth.

**Surplus of $4 Billion in the Balance of Payments**

Another macroeconomic variable showing a positive performance during the first quarter of the year was the balance of payments.

During the first three months of the year, the balance of payments posted a surplus of $3.967 billion. Of this amount, $3.852 billion was in current account, and $95 million in capital account.

Exports for the first quarter amounted to $15.3 billion, of which amount $12.017 billion represented oil exports, and $3.283 billion, nonoil exports.

Counteracting these positive figures was an import level amounting to $8.1 billion, as well as interest payments totaling $2.68 billion.

Also included are other payments of $668 million.

Nevertheless, not all the results are satisfactory, because the inflation rate is registering a higher level than expected at the beginning of the year. The Cordiplan calculations raise that rate between 25 and 30 percent, generated by various factors. Prominent among the latter are structural problems in food distribution, wherein monopolist and oligopolist conditions still persist. Moreover, there has been an expansion in demand, as well as an impact from the Labor Law which, in an open economy, prompted business owners to anticipate these costs, raising prices of goods and services.

**Fiscal Deficit Instead of Balance**

Nor has the level expected in the fiscal area been attained, because the consolidated public sector posts a 1 percent deficit, whereas it was expected to close in a balanced state.

Rosas Bravo explains that there are two fundamental reasons. One is the oil market's performance during the first quarter of the year. Its liquidation price for a barrel of oil stood at $16.50, whereas the programmed price amounted to $19.00, according to the Budget Law approved for 1991.

This deficit has been offset by an increase in oil exports exceeding 2 million barrels per day; whereas the programmed level was 1.9 million.

The decline in prices for a barrel of oil and the increase in exports still reflect a deficit in oil revenues amounting to about $900 million.

Rosas Bravo thinks that a 1 percent deficit is manageable, and should not generate any problem in the revision of macroeconomic goals with the International Monetary Fund; because he is aware that the oil situation is a factor outside the Venezuelan economy. It was for this reason precisely that the Macroeconomic Stabilization Fund was created.

Moreover, he adds that, this year, it was expected to receive a major contribution from domestic revenues by way of the Value Added Tax (VAT), which has not yet been approved by the National Congress. This situation is keeping the public sector dependent on the flow of oil revenues.

"I think that it is fitting to reflect on the virtues of a tax such as the VAT, which provides the executive branch with a stable source of tax revenues. Otherwise, it would have to keep managing fiscal deficits reflected in increased inflation, which is an indiscriminate tax affecting the entire population. The VAT limits its collection from the lower income sectors, because its payment is excluded from products of prime necessity. It does the same for services and transportation. Inflation, on the other hand, is a scourge striking all sectors alike."

**Governors Have the Allocated Funds at Their Disposal**

Cordiplan vice minister was asked about the protest from the governors against the measure to raise the legal reserve for public sector deposits to 80 percent.

The governors claim that a measure of this type will curtail public investment in the regions.

In this regard, Rosas Bravo emphasized that the volume of public funds allocated to the regions is never at risk, because it is at the disposal of the regional governments as they continue executing these projects.

What it is precisely desired to avoid is that these public funds appropriated for projects of social benefit remain idle in the banks, taking advantage of speculative profits generated by the current high interest rates.

He noted that this measure would reduce the demand for zero coupon bonds, and would generate less pressure on interest rates.

"The governors should prepare to execute the spending program, because they have these funds at their disposal at any time that they need them. No confiscation has ever been proposed; on the contrary, it is an incentive to accelerate such spending on the regional level.

"The contributions to the regional governments are for projects for the common welfare, and not to be used for financial investments."

**Real Gross Domestic Product (Quarterly Growth Rate)**

| | Quarters (I.91/I.90)* |
|---|---|
| Public Sector | 15.7 |
| Oil companies | 18.2 |
| Nonoil companies | 2.7 |
| Government in general | 0.3 |
| Private Sector | 7.2 |
| Manufacturing | 11.4 |
| Construction | 51.7 |
| Commerce and cargo transportation | 1.5 |
| Other services | 2.7 |
| Total | 10.5 |
| Negotiable Goods | 14.0 |
| Oil | 18.2 |
| Nonoil | 9.9 |
| Public | 2.7 |
| Private | 11.4 |
| Nonnegotiable Goods and Services | 5.6 |

* Preliminary figures

Source: BCV [Central Bank of Venezuela]

**Balance of Payments (millions of US$)**

| | | Projection |
|---|---|---|
| | 1990 | 1991 |
| Current Account | 8,280 | 3,852 |
| Exports | 17,411 | 15,300 |
| Oil | 13,913 | 12,017 |
| Nonoil | 3,498 | 3,283 |
| Imports | -6,543 | -8,100 |
| Interest Payments | -3,207 | -2,680 |
| Others (net) | 619 | -668 |
| Capital Account | -3,508 | 95 |
| Balance of Payments | 4,772 | 3,967 |

**Open Unemployment Rate (quarterly estimate)**

| Quarter | Rate (percent) |
|---|---|
| III.89 | 10.3 |
| IV.89 | 9.1 |
| I.90 | 12.0 |
| II.90 | 10.8 |
| III.90 | 10.1 |
| IV.90 | 9.9 |
| I.91 | 11.1 |
| Apr | 9.7 |
| May | 9.6 |

## * Cordiplan Foresees Skilled Labor Shortage

*91SM0393A Caracas EL DIARIO DE CARACAS in Spanish 13 Jun 91 p 56*

[Article by Rose Mary Gonzatti]

[Text] Although the so long awaited economic reactivation is bringing with it an expansion in employment, it is simultaneously generating labor bottlenecks stemming from an unmet demand for specialized labor.

And as the economy continues its expansion rate, the demand for skilled personnel is intensifying.

The preliminary results of a study carried out by Cordiplan [Office of Coordination and Planning] identified the critical areas currently requiring an injection of specialized labor. They are the petrochemical, metalworking, specialized construction, and management sectors, especially on the small- and medium-sized business level.

However, given the link between the areas that are developing in the country and the labor crisis, it is not difficult to predict that the oil and tourism sectors will be finding themselves in the same predicament within a short time.

The complete study of these problems, and the precise identification of the sectors hardest hit, with income levels and proposals, are expected to be completed within a period of three to four months. Cordiplan has the backing of the OAS for this purpose.

Armando Leon, director of employment, production, and price planning for Cordiplan, explained that the

research will be done through the OCEI's [National Office of Statistics and Information] quarterly survey for the industrial sector. Starting in July, it will include a supplementary part for detecting the level and types of human resources problems confronting business firms in their expansion or reconversion processes. This procedure is being carried out simultaneously with the studies being conducted by the Ministry of Development on specific labor requirements. They are concentrated on the textile sector, and the ready-made clothing industry as a part of it.

**Preliminary Diagnosis**

Cordiplan's preliminary draft identifies two blockages affecting the labor market. On the one hand, there are the problems besetting the demand for labor; and, on the other, those affecting the labor supply.

With respect to supply, four main problems were discovered:

The training of human resources: Despite the educational institutions' efforts for training, there is an "inadequacy in the training of human resources, wherein the professional profiles of graduates are not in keeping with the real requirements of industry." This is causing unemployment or underemployment among personnel who find no place in industry because they fail to meet the requirements sought.

A labor shortage: At the same time, it is obviously impossible for the educational institutions to produce highly skilled human resources in the volumes required to meet a growing demand that is, simultaneously, more exacting in qualitative terms. The personnel shortage is mentioned as a limiting factor in the growth of industries, in the following percentages: 22.7 percent of the business firms in the metal-working sector cite this factor as a limiting one; a percentage that increases to 36 in the case of the lumber industry, to 26.4 in textiles, and to 25 in the paper manufacturing companies.

Professional profile: The curricular profile of many professional courses is not geared to the structural characteristics of the demand. The experience has been that more fourth level studies are required, because the pre-degree diploma does not suffice.

Demographic growth: The interannual growth in the work force, estimated at 265,000 persons, is another problem besetting the labor market. It has been mitigated by the growth of the informal sector, comprised mainly of persons who, owing to their level of qualifications, are not easily accommodated in the high productivity sectors. The following was discovered on the side of labor demand:

The possibilities for expanding the existing installed capacity in industries are limited, because of the difficulties in procuring skilled personnel.

Technological expansion and innovation are also limited, because they heighten the requirements for the workers' degree of specialization.

**Training and Importing**

Some of these problems could be solved over the short term through the training of human resources, either through the INCE [National Institute of Cooperative Education], which is working on this matter, or through other institutions.

However, Leon is of the opinion that, not only in Venezuela, but in the rest of Latin America as well, the government-private sector-trade union tripartite commissions should by now have started discussing how to deal with personnel training, to ensure that the demand can be met, basically with national labor.

Concurrently, a process of selected migration could occur; however, the Cordiplan director remarked that it should be linked to the training of national personnel.

The experience of Mexico, Chile, and Korea is an example of this. In those three nations the migration mechanisms were linked with processes of national personnel training, through an agreement with private enterprises. This has a twofold effect: that of training labor per se, and that of precluding the possibility of having a permanent flow of imported labor. "This type of migration program, linked to private enterprises, is the one with the most rapid effect, but also the most difficult to achieve."

**[Box, p 56]**

**Importing People**

The International Organization for Migration (IOM), a multilateral agency of which Venezuela has been a member since its founding, has two programs that could to some extent help to resolve the labor bottleneck viewed by everyone as imminent in the country.

Jorge Mora, the IOM's chief of mission in the country, explained that the two methods are the selective migration program and that involving integrated experts. Both are part of the "migration for development" macroprogram.

The selective migration program, which is executed through the Labor Ministry, consists of bringing in highly specialized personnel from abroad, basically from the industrialized countries. This is done through a preliminary work contract whereby the Labor Ministry grants the pertinent work permit.

The integrated experts program is similar, except that, in this case, the highly skilled professionals come for specific periods, lasting from one to six years. This is a program almost entirely financed by the governments of Italy and Germany, in which Cordiplan participates directly.

In both instances the problem is that, for the past several years, the currency devaluation has made the arrival of highly skilled personnel from other countries difficult. The country is no longer so attractive from a salary standpoint.

Mora remarks: "Unless there is a transfer of a business firm, it is difficult to procure professionals who want to come here from industrialized countries. There is beginning to be talk of recruiting personnel from the East European countries, especially on the technical level. However, there has been nothing concrete as yet." This would eliminate the problem of the high cost of labor.

From the requests that the IOM has conveyed to attract personnel to these programs one can extrapolate the areas in which the demand for labor is heaviest: those requiring engineers, computer technicians, and chemists. And, more recently, the demand has been aimed considerably more toward professionals on the higher technical level in the fields of electricity and computers. "That is what is lacking in Venezuela now."

According to Mora, the fact is that consideration must now be given to planning for migration. "An in-depth study must be made to determine the type of labor required in the country. The Ministry of Development and Cordiplan are focusing on this."

And, in his opinion, the other important aspect is that related to internal personnel training. "But while that is being resolved we must think about importing people."

A third program, although on a lesser scale, is that for migrants with capital. This program has proven successful in the southern part of the continent, and both Vietnamese and Koreans have been going to the southern countries. "About eight or nine, especially French, may have come" to Venezuela, arriving to invest and to remain in the country.